

AGENDA BOOK

Board of Regents



MEETING SCHEDULE

Friday, December 6, 2002

9 a.m.

Board of Regents Meeting

**BR 302
(Breckinridge Hall)**

Noon – 2 p.m.

Reception for Faculty/Staff

**BM 117
(Fulbright Auditorium)**

Members, Morehead State University Board of Regents

Buckner Hinkle, Jr. (*Chair*)

James H. Booth

Gene Caudill (*Staff Member*)

Virginia G. Fox

Sylvia L. Lovely

Dr. Charles H. Morgan, Jr. (*Faculty Member*)

Helen C. Pennington

Jason S. Rainey (*Student Member*)

Dr. Charles M. Rhodes

Jerry W. Umberger

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AGENDA
Board of Regents
Morehead State University
9 a.m., Friday, December 6, 2002
Breckinridge Hall 302

- I. **CALL TO ORDER**
 - A. **ROLL CALL**
 - B. **APPROVE SEPTEMBER 27, 2002, MINUTES**
- II. **NOMINATING COMMITTEE REPORT**
- III. **APPROVE AWARDING OF HONORARY DOCTOR OF PUBLIC SERVICE DEGREES TO SARA COMBS AND BETTY SIEGEL**
- IV. **SPOTLIGHT PRESENTATION -- *INSTITUTE FOR REGIONAL ANALYSIS AND PUBLIC POLICY***
- V. **RECOMMENDATIONS AND REPORTS**
 - A. **Recommendations**
 - 1. Approve 2002 Winter Graduates 10
 - 2. Ratify Personnel Actions 11-30
 - 3. Approve Revisions to Personnel Policies: PG-9; Personal Leave of Absence Without Pay (Other than Military or Family Medical Leave); PG-10, Leave of Absence With Pay for Short-Term Military or National Guard Services or Training Duty; PG-48, Vacation Leave; PG-49, Sick Leave; and PG-52, Family and Medical Leave 31-48
 - 4. Accept 2001-2002 Audit, Fourth Quarter Financial Report, and Amend Operating Budget 49-55
 - 5. Accept First Quarter Financial Report and Amend Operating Budget 56-67
 - 6. Authorize Memorandum of Agreement and Lease with Option to Purchase Agreement with the City of Morehead; and Amend the Campus Master Plan in Regard to Kentucky Center for Traditional Music 68-73
 - 7. Adopt Resolution Regarding Access Road Funding to Antenna Site 74-79
 - 8. Ratify Lease With Option to Purchase With the MSU Foundation, Inc. 80-81
 - B. **Reports**
 - 1. Fall 2002 Enrollment Report 82
 - 2. Report on Campus Environmental Survey (oral report)

3.	Report on Location of Large Aperture Full Motion Radio Telescope and Access Road	83-84
4.	Report on Real Property Acquisitions	86-88
5.	Report on Guaranteed Energy Saving Performance Contracting	90-91
6.	Report on 2003 Health Insurance Plan	92-94
7.	Year-to-Date Gift Income Report	95
8.	Report of Major Gifts Since September 27, 2002	96

VI. OTHER BUSINESS

A. Meetings for 2003

1st Quarter

Work Session

Friday, February 14

BOR Meeting

Tuesday, March 11

2nd Quarter

Work Session

Friday, May 2

BOR Meeting

Friday, June 6

3rd Quarter

Work Session

Friday, August 29

BOR Meeting

Friday, September 19

4th Quarter

Work Session

Friday, November 14

BOR Meeting

Friday, December 12

B. Other

Special Recognition

VII. ADJOURNMENT

BOARD OF REGENTS MOREHEAD STATE UNIVERSITY

September 27, 2002

The Board of Regents of Morehead State University met on Friday, September 27, 2002, at the MSU at West Liberty Center.

CALL TO ORDER

Chairman Buckner Hinkle, Jr. convened the meeting at 9:30 a.m. He noted that this was the first time in the five years he had served on the Board that a meeting had been held at an off-campus site. On behalf of the Board, he thanked all individuals involved in making arrangements for the Board to meet at the center in West Liberty.

ROLL CALL

The following members were present: James H. Booth, Gene Caudill, Virginia Fox, Buckner Hinkle, Jr., Dr. Charles H. Morgan, Jr., Jason S. Rainey, Dr. Charles M. Rhodes, and Jerry W. Umberger. Sylvia Lovely and Helen Pennington were not present.

INTRODUCTION OF PRESIDENT OF ALUMNI ASSOCIATION AND PRESS

Chairman Hinkle welcomed Joyce LeMaster, President of the MSU Alumni Association, who was attending the Board meeting.

Pauline Young, Director of University Communications, introduced the members of the press who were in attendance: Ron Middleton, *The Morehead News*, and Nelson Gullett, Morehead State Public Radio.

OATH OF OFFICE

Jon Woodall, Legal Counsel, administered the oath of office to Virginia Fox, appointed by Governor Patton for a two-year term ending June 30, 2004, Dr. Charles H. Morgan, Jr., elected by the faculty for a three-year term ending June 30, 2005, and Jason S. Rainey, elected by the students for the 2002-2003 school year.

OVERVIEW OF MSU AT WEST LIBERTY CENTER

Dr. Michael Moore, Provost, introduced Dr. Dan Connell, Associate Vice President for Academic Outreach and Support, who has responsibility for the extended campuses, and Dr. Jonell Tobin, Director of the MSU at West Liberty Center.

Dr. Connell presented an overview of the extended campus programs and MSU's commitment to the region. Dr. Tobin discussed the history of the center and how it had grown since its inception in 1987. She then introduced Amy McLoney, Adult Basic Education Coordinator/Teacher at the West Liberty Center. The ABE program, in operation since 1987, has served 6,615 individuals and awarded 690 General Equivalency Diplomas.

**JUNE 1 AND
AUGUST 30, 2002,
MINUTES****RESOLUTION
HONORING
JUANITA MILLS**

Dr. Eaglin introduced Joseph "Chip" Smith, newly hired Director of Athletics. He also noted that this would be Tim Rhodes' last meeting. Mr. Rhodes, who serves as Assistant Vice President for Admissions, Financial Aid and Housing, will be retiring after more than 30 years at the end of September to serve full time in the ministry.

Mr. Booth moved, seconded by Dr. Rhodes, to approve the minutes of the June 1, 2002, and August 30, 2002, meetings as distributed. The motion carried.

Chairman Hinkle stated that due to the demands of her business, Juanita Mills had resigned from membership on the MSU Board of Regents. He noted that Ms. Mills had made a strong contribution to the work of the Board, and the Board would miss her.

Following is a Resolution Honoring Ms. Mills. Mr. Umberger moved, seconded by Ms. Fox, that the Board adopt the resolution. The motion carried.

RESOLUTION HONORING JUANITA MILLS

WHEREAS, Juanita Mills, a respected citizen of Lakeside Park in Northern Kentucky, has served with distinction as a member of the Board of Regents of Morehead State University since 1997; and

WHEREAS, Ms. Mills' distinguished service on the Board of Regents consistently has exemplified her high ethical standards and strong personal commitment to institutional integrity; and

WHEREAS, Ms. Mills' tenure as a board member has reflected her professional collegiality and dedication to academic excellence and her abiding concern for the welfare of the entire University community,

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Ms. Juanita Mills be and hereby is commended for her five years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for her efforts.

Done this twenty-seventh day of September, 2002.

Buckner Hinkle, Jr., Chair

ATTEST:

Carol Johnson, Secretary

Ronald G. Eaglin, President**APPOINTMENT
OF
NOMINATING
COMMITTEE**

With the resignation of Ms. Mills, Chairman Hinkle appointed a nominating committee to make a recommendation for vice chair. He asked the following Board members to be on the committee with Dr. Charles Rhodes serving as chair: Gene Caudill, Jason Rainey, and Dr. Charles Morgan, Jr. In addition, the committee was asked to consider whether the Bylaws should be amended to set term limits for the chair and vice chair. The committee will report at the next regularly scheduled meeting on December 6, 2002.

**HONORARY
DEGREE**

RECOMMENDATION: That the Board approve the awarding of the honorary degree of Doctor of Public Service to Ruth Boggs Shannon of Whittier, California, at the Winter Commencement ceremony on December 14, 2002.

MOTION: Mr. Caudill moved, seconded by Ms. Fox, to approve the President's recommendation.

VOTE: The motion carried.

**PRESIDENT'S
RECOMMENDA-
TIONS**

RECOMMENDATION: That the Board ratify the change of semester for the sabbatical leave of Dr. Wayne Willis, Professor of Education.

Sabbatical Leave

MOTION: Mr. Booth moved, seconded by Mr. Umberger, to approve the President's recommendation.

VOTE: The motion carried.

Personnel Actions

RECOMMENDATION: That the Board ratify the Personnel Actions for the period May 13, 2002, through September 6, 2002.

Roger Barker, Director of Human Resources, reported that during the period May 13 through September 6, 2002, 14 faculty and 2 staff resigned; and 8 staff and 3 faculty retired. (*Personnel Actions attached to these minutes and marked VIII-A-2.*)

In response to a question about the high number of Fixed Term I appointments during the period, Mr. Barker advised that there were three reasons for the large number: (1) increase in enrollment, (2) untimely faculty resignations, and (3) timing of the Personnel Action Request.

*Revenue Bonds,
Series Q*

MOTION: Dr. Rhodes moved, seconded by Mr. Rainey, to approve the President's recommendation.

VOTE: The motion carried.

Chairman Hinkle recognized Senator Walter Blevins who was present for the meeting.

RECOMMENDATION: That the Board adopt the attached reimbursement resolution:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY DECLARING OFFICIAL INTENT WITH RESPECT TO REIMBURSEMENT OF TEMPORARY ADVANCES MADE FOR CAPITAL EXPENDITURES TO BE MADE FROM SUBSEQUENT BORROWINGS; AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH. (*Resolution attached to these minutes and marked VIII-A-4*)

Michael Walters, Associate Vice President for Fiscal Services, stated that in March, the Board authorized the sale of Housing and Dining System Revenue Bonds, Series Q, to finance Phases IV and V of the five-year residence hall sprinkler project. To minimize costs of issuance and interest expense, the University delayed sale of the bonds at a cost of approximately \$4.4 million until spring of 2003. Phase IV was completed in summer 2002. Phase V will involve Nunn, Waterfield, Normal and Butler halls at an estimated cost of \$3,000,000. Nunn Hall, the largest component of the project, is very important to summer programming. Building design will allow much of the work to be conducted during the spring semester without major disruption to the student occupants. Therefore, Nunn Hall was removed from Phase V and bid separately. The contract has been awarded for \$1.2 million with work to begin in January.

As Series Q bonds cannot be sold until a budget is adopted by the state, it will be necessary to advance University funds to initiate the Nunn Hall portion of Phase V. The advanced funds will be reimbursed from the bond proceeds. To comply with regulations, the Board is required to state its intent to reimburse costs incurred prior to the issuance of the bonds.

MOTION: Mr. Caudill moved, seconded by Mr. Rainey, to adopt the reimbursement resolution relating to Revenues Bonds, Series Q.

VOTE: The motion carried.

KFAC

RECOMMENDATION: That the Board confirm the appointment of two new and three returning members of the Board of Directors of the Kentucky Folk Art Center, Inc., as identified herein.

Keith Kappes, Vice President for University Relations, stated that the Kentucky Folk Art Center (KFAC) is an affiliated corporation of Morehead State University. As such, the Board of Regents must ratify appointments to the KFAC. Two new board members are being appointed – Susan Neff of Morehead and Peter T. McNeill of Flemingsburg. Three members are being reappointed – Pam Sexton of Lexington, and Cathy Shely and Denver Kinder, both of Morehead.

Mr. Kappes also noted that Bonnie Eaglin had reached the three-term limit. The KFAC Board recognized her for her service by naming its Outstanding Board Member Award in her honor.

MOTION: Dr. Morgan moved, seconded by Dr. Rhodes, to approve the President's recommendation.

VOTE: The motion carried.

**PRESIDENT'S
REPORTS****2002 Fall
Enrollment**

Dr. Michael Moore, Provost, reported that as of September 24, enrollment at the University was 9,063 students who were registered and paid compared to a total of 9,027 last year. Dr. Moore noted that the projected enrollment was 9,303, an increase from last year. Figures are up for full-time equivalency and credit-hour production. He stated that enrollment at the extended campuses was down in numbers, but more students were taking a full load of classes.

In response to a question on the reasons for the enrollment growth, Dr. Moore stated that increased marketing efforts in the region and economic factors were believed to be the major reasons. Dr. Moore also noted MSU's retention rate is up significantly, which also has an impact on our overall enrollment.

Mr. Kappes also noted that MSU has increased its market share in East Kentucky. In the face of declining demographics, we have gotten a larger share of those going to college.

**Easement & Right
of Way**

Porter Dailey, Vice President for Administration and Fiscal Services, reported that the University had granted the Transportation Cabinet Division of Right of Way an easement to property needed for construction of the Morehead Bypass Phase III. For the property, formerly the CSX railroad right of way located across from the Academic-Athletic Center, the

Lease/Purchase Agreement

University received \$750 for the easement with a total compensation of \$6,150 against future claims on the property. *(Report attached to these minutes and marked VIII-B-2)*

Mr. Dailey reported that on July 18, the University executed a ten-year lease purchase agreement at prime plus 1 percent with the MSU Foundation to acquire the Martindale property at a cost of \$990,000. Current plans call for remodeling of the house as a place for President and Mrs. Eaglin to live during the remodeling of the Adron Doran University Center. *(Report attached to these minutes and marked VIII-B-3)*

2002-2003 Personnel Roster

Mr. Dailey presented the 2002-2003 Personnel Roster that included current roster positions, employees in those positions, and approved salaries for the current year. Beth Patrick, Associate Vice President, stated that 60 percent of the University's budget was related to personnel. This percentage was reported as standard for an institution of the size of MSU. *(Report attached to these minutes and marked VIII-B-4)*

Real Property Leases

Mr. Dailey presented the lease report on agreements effective July 1. The report included lease agreements for parking spaces adjacent to the main campus and classroom and office space in Morehead, Pikeville, West Liberty, Prestonsburg, and Ashland. He noted the following:

- That the lease with Mabry Carpetland expired August 5, 2002, and that the University is no longer leasing that parking lot.
- That the University is in the process of purchasing the property located at 133 Third Street from the MSU Foundation, Inc.
- That the property being leased from Stephen Barker for the Traditional Music Center is a new lease.
- That the leases with the MSU Foundation, Inc. and the Eastern Kentucky Real Estate Company are for the University Store as a result of the ADUC renovation project.

In response to a question about consolidating the programs in the former West Liberty facility into the new building, Mr. Dailey stated that currently there were no plans to consolidate the programs. Dr. Tobin indicated that the old building is primarily being used for the adult education program. In addition, the Eastern Kentucky Correctional Complex uses the facility for its training programs, and the Morgan County Red Cross leases office space there. *(Report attached to these minutes and marked VIII-B-5)*

Personal Service Contracts

Mr. Dailey reported that personal service contracts of more than \$10,000 had been awarded to eight individuals/firms for the period July 1 through September 17. *(Report attached to these minutes and marked VIII-B-6)*

A question was raised about why the University has external contracts for legal representation. Mr. Dailey stated that it was for specific legal expertise that the Board and institution needs at various times during the year. The contract with McBrayer, McGinnis, Leslie & Kirkland is for the Board's legal counsel. The firm of Sturgill, Turner, Barker & Moloney is used by United Educators, the University's professional liability insurance company. The University seldom approaches the contract amount of either personal service contract. However, if the amount should be exceeded, the Board would be asked to amend the contract. All contracts must be recorded and approved by the state's review committee.

Ms. Fox cautioned the administration about determining whether the institution may need FCC or specialized counsel concerning its antenna installation for the Space Science Center.

Private Giving

Barbara Ender, Vice President for Development, reported that private giving was up 9.07 percent, surpassing the \$1.9 million mark. The MSU Foundation received gifts from 4,965 individuals, corporations and other entities during 2001-02. The Office of Development and Alumni Relations processed 9,745 gifts from various sources. *(Report attached to these minutes and marked VIII-B-7)*

A request for \$1,179,225 has been submitted for matching from the Bucks for Brains trust fund.

Major Gifts

Ms. Ender reported that since June 1, the University has received gifts totaling \$278,048.20 from individuals and corporations in cash, gifts-in-kind, endowments, scholarships and special projects. *(Report attached to these minutes and marked VIII-B-8)*

Operating Agreement Between MSU & MSU Foundation

Ms. Ender reported that as required by the bylaws of the MSU Foundation, Inc., the operating agreement between the Foundation and the University has been reviewed. Minor changes have been made to the agreement to reflect current operating practices. *(Operating Agreement attached to these minutes and marked VIII-B-9)*

EXECUTIVE SESSION

At 10:40 a.m., Chairman Hinkle indicated that the Board needed to go into executive session for the purpose of discussing personnel matters and potential litigation. No action will be taken, and the Board will reconvene at the close of the executive session.

Mr. Booth moved, seconded by Ms. Fox, to go into executive session. The motion carried.

**OTHER
BUSINESS***Space Science
Center**Upcoming Events**Lunch with MSU at
West Liberty
Advisory Board**Future Meetings***ADJOURNMENT**

At 12:10 p.m., Chairman Hinkle convened the Board in public session.

Chairman Hinkle indicated that in the discussion of agenda items, the item related to the Location of Large Aperture (18M) Full Motion Radio Telescope and Access Road was not discussed. Dr. Eaglin explained that the administration was not ready to present this information to the Board. It will be placed on the agenda at a later date.

Dr. Eaglin reported on some upcoming events:

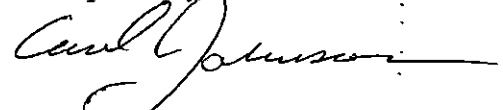
- ☐ Homecoming is scheduled October 17-19 with a parade and pep rally kicking off the event on Thursday.
- ☐ Winter Commencement will be held December 14 at 10:30 a.m. Approximately 450 students will graduate during the ceremony.

Dr. Eaglin also invited the Board members to remain for lunch when the MSU at West Liberty Advisory Board would join them. A tour of the building would follow.

Chairman Hinkle stated that the Board will have a work session on Friday, November 15, 2002. The next quarterly meeting is scheduled for Friday, December 6, 2002.

There being no further business to conduct, the meeting adjourned at 12:12 p.m.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

HONORARY DOCTORAL DEGREES

BOR (IV)
December 6, 2002

Background:

Since 1988 the Board of Regents has awarded honorary doctoral degrees to outstanding individuals to recognize personal achievement and/or exemplary public service. The ad hoc Honorary Degree Advisory Committee screens nominations for such recognition and makes appropriate recommendations to the President and Board of Regents. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc.

Dr. Betty L. Siegel, the president of Kennesaw State University, and Judge Sara W. Combs, a member of the Kentucky Court of Appeals, were nominated for honorary doctoral degrees in conjunction with winter commencement. The Honorary Degree Advisory Committee reviewed the qualifications of Dr. Siegel and Judge Combs and unanimously recommended that both be awarded the honorary degree of DOCTOR OF PUBLIC SERVICE at the Winter Commencement ceremony on December 14, 2002.

A Kentucky native, Dr. Siegel has been president of Kennesaw State since 1981. The institution has evolved from a four-year college with an enrollment of 4,000 students and 15 academic programs to its current university status with 13,000 students and 50 degree programs. She is an internationally known lecturer and speaker on leadership. Dr. Siegel also has served as a consultant to educational, business, non-profit organizations, health services, government and civic groups. She was the recipient in 1998 of the OAK (Outstanding Alumni of Kentucky) Award from the Kentucky Advocates for Higher Education.

Judge Combs became the first woman to serve on the Kentucky Supreme Court in 1993. She has served as a member of the Kentucky Court of Appeals since 1994. On July 1, 2002, she became Chief Judge Pro Tem of the Court of Appeals. A native of Louisville, Judge Combs received her bachelor's, master's and law degrees from the University of Louisville. The U of L Law School named her among its Distinguished Alumni. Judge Combs is recognized as a trailblazer for women because of the inroads she has made in a male-dominated judiciary. She serves on the boards of Governors Scholars and the University Press of Kentucky.

Recommendation:

That the Board of Regents approve the awarding of the honorary degree of DOCTOR OF PUBLIC SERVICE to Dr. Betty L. Siegel and Judge Sara W. Combs at the Winter Commencement ceremony on December 14, 2002.

2002 WINTER GRADUATES

BOR (V-A-1)
December 6, 2002

Background:

Four hundred eight (408) students have applied for graduation at the December 14, 2002, Winter Commencement. This includes 19 associate degrees, 303 bachelor degrees and 86 master degrees.

Recommendation:

That the awarding of degrees to all candidates who successfully completed all degree requirements as approved by the faculty of the University at the 2002 Winter Commencement on December 14, 2002, be approved.

PERSONNEL ACTIONS

BOR (V-A-2)
December 6, 2002

Background:

The Personnel Action Request Report includes actions related to:

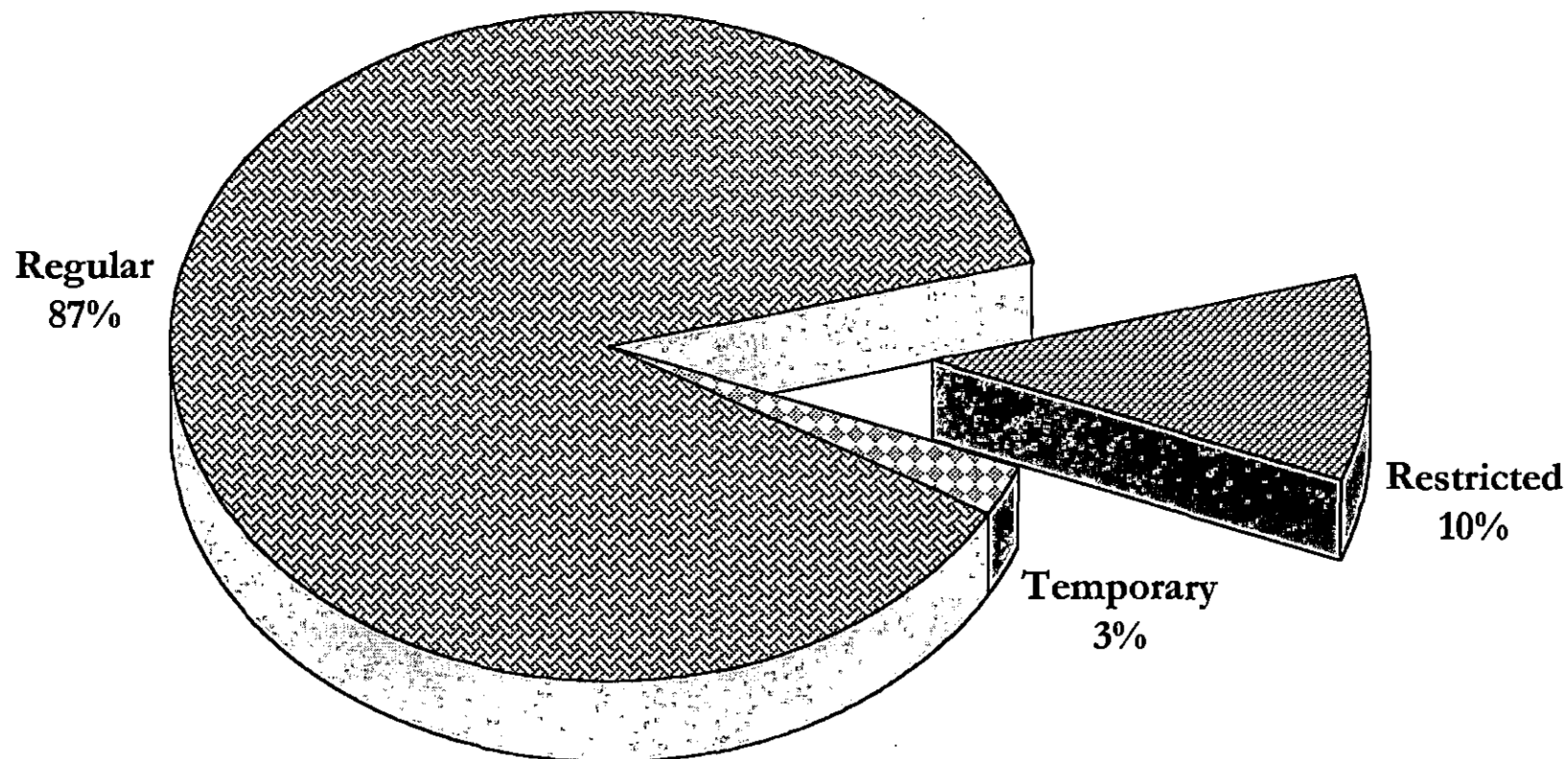
- 1) Full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, excluding supplemental actions not listed under Item 3, below;
- 2) Full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) Supplemental actions for faculty acquiring managerial duties, excluding normal grant activities;
- 4) Discipline;
- 5) Leave of absences;
- 6) Sabbaticals; and
- 7) Retirements.

Recommendation:

That the Board ratify the Personnel Actions for the period September 9, 2002, through November 8, 2002.

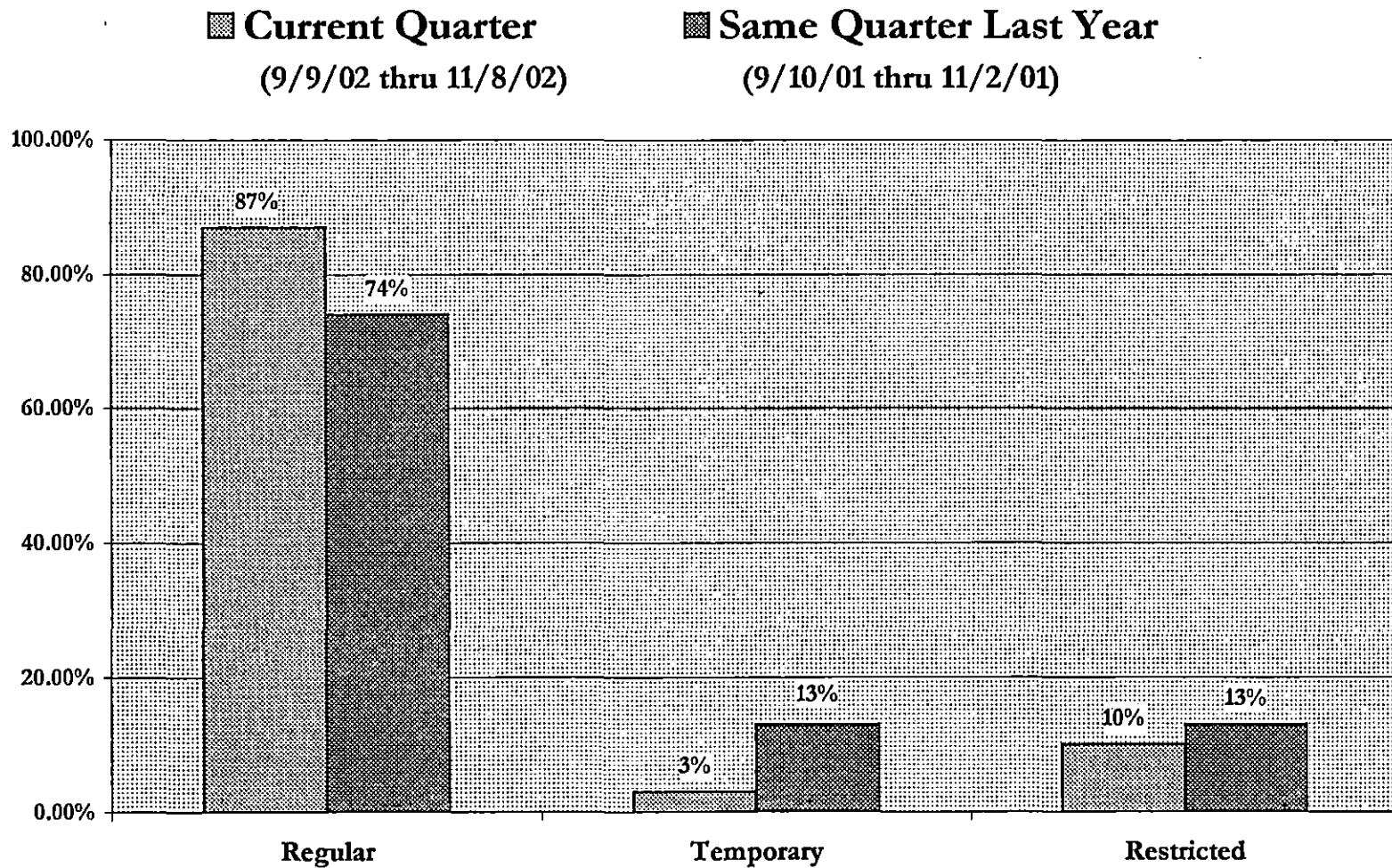
PERSONNEL ACTION REQUEST

9/9/02 thru 11/8/02



Total Number of PARs = 36

COMPARISON CHART FOR PERSONNEL ACTION REQUEST



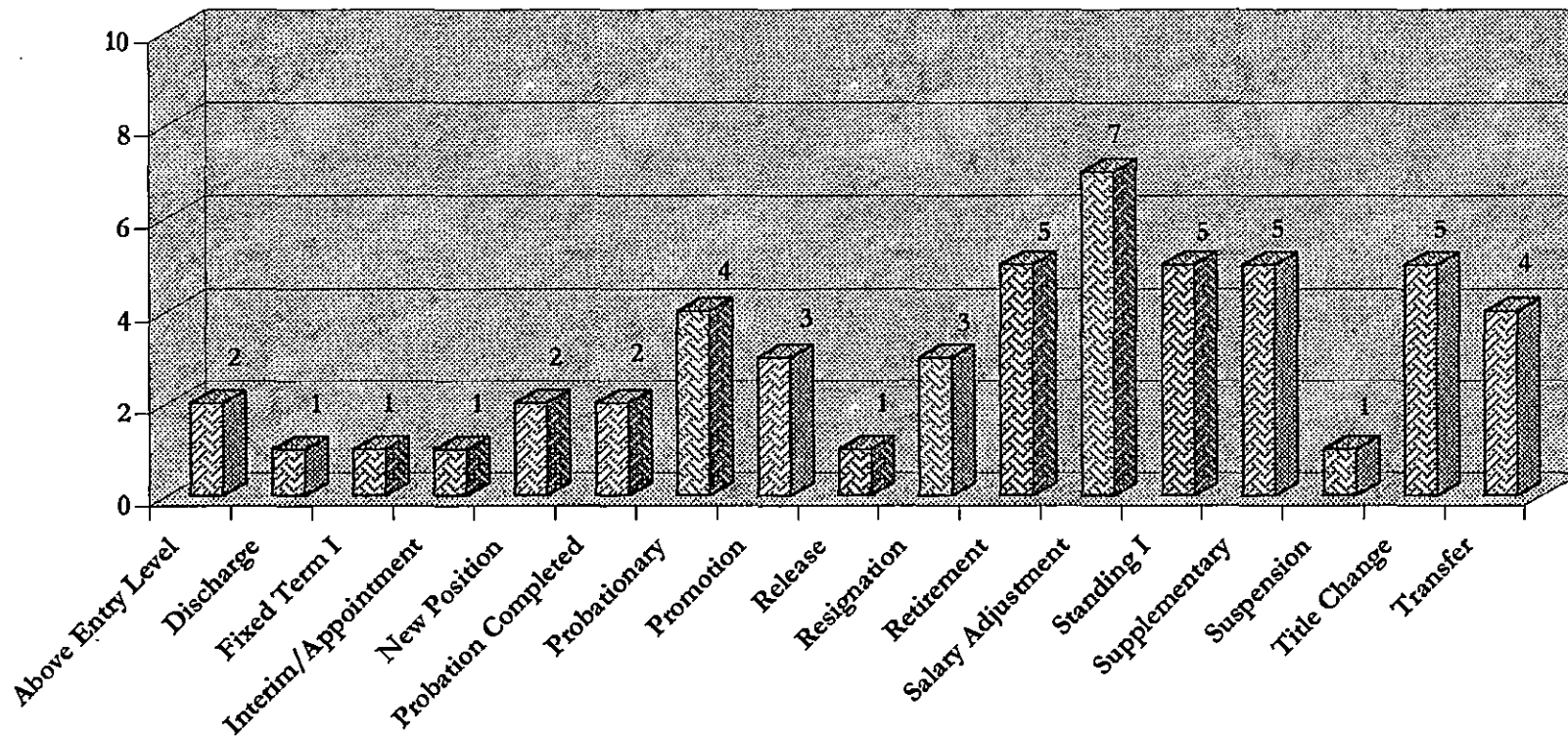
Total Number of PARs

Current Quarter = 36

Same Quarter Last Year = 32

PERSONNEL ACTIONS FOR COVERED ROSTER APPOINTMENTS

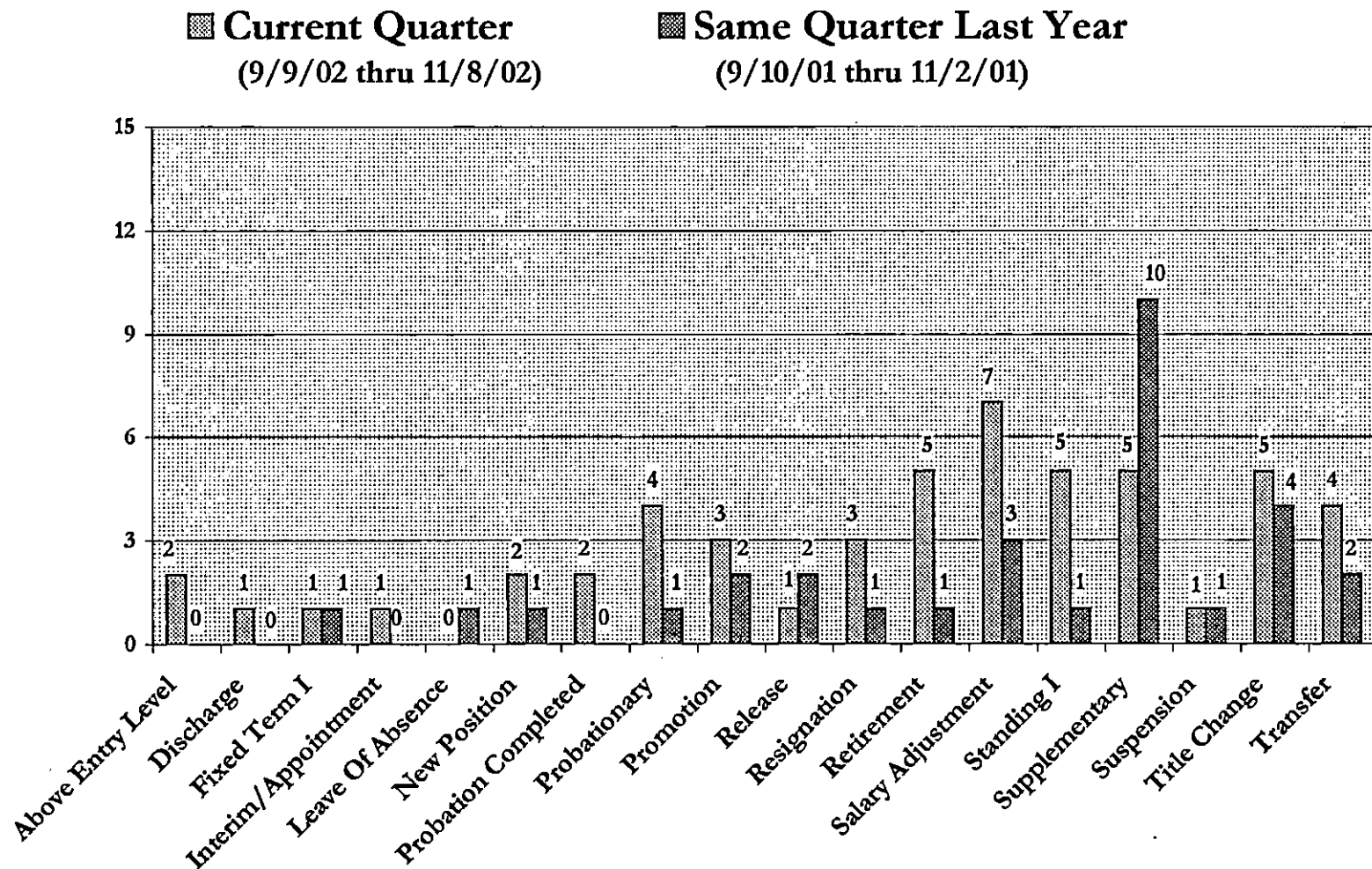
9/9/02 thru 11/8/02



Total Number of PARs = 31

Total Number of Actions = 52

COMPARISON CHART FOR COVERED ROSTER APPOINTMENTS



Total Number of PARs

Current Quarter = 31

Same Quarter Last Year = 24

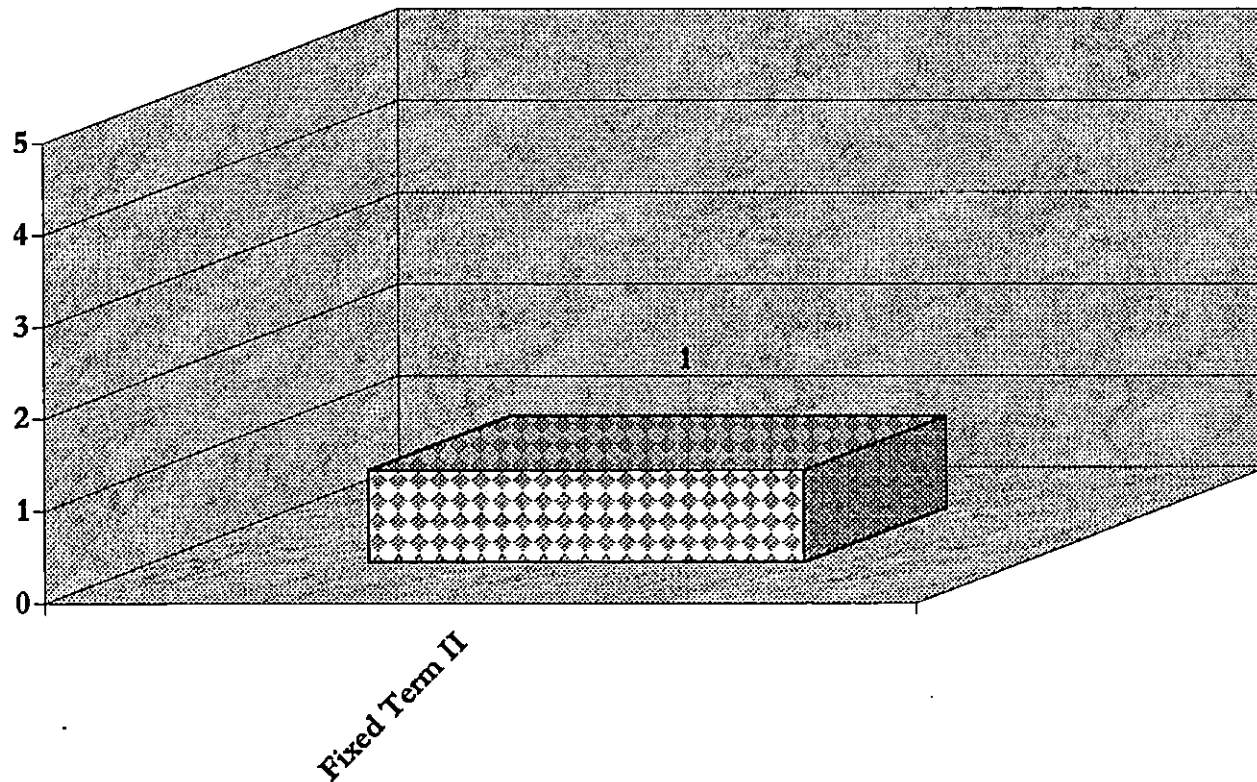
Total Number of Actions

Current Quarter = 52

Same Quarter Last Year = 31

PERSONNEL ACTIONS FOR NON-ROSTERED TEMPORARY APPOINTMENTS

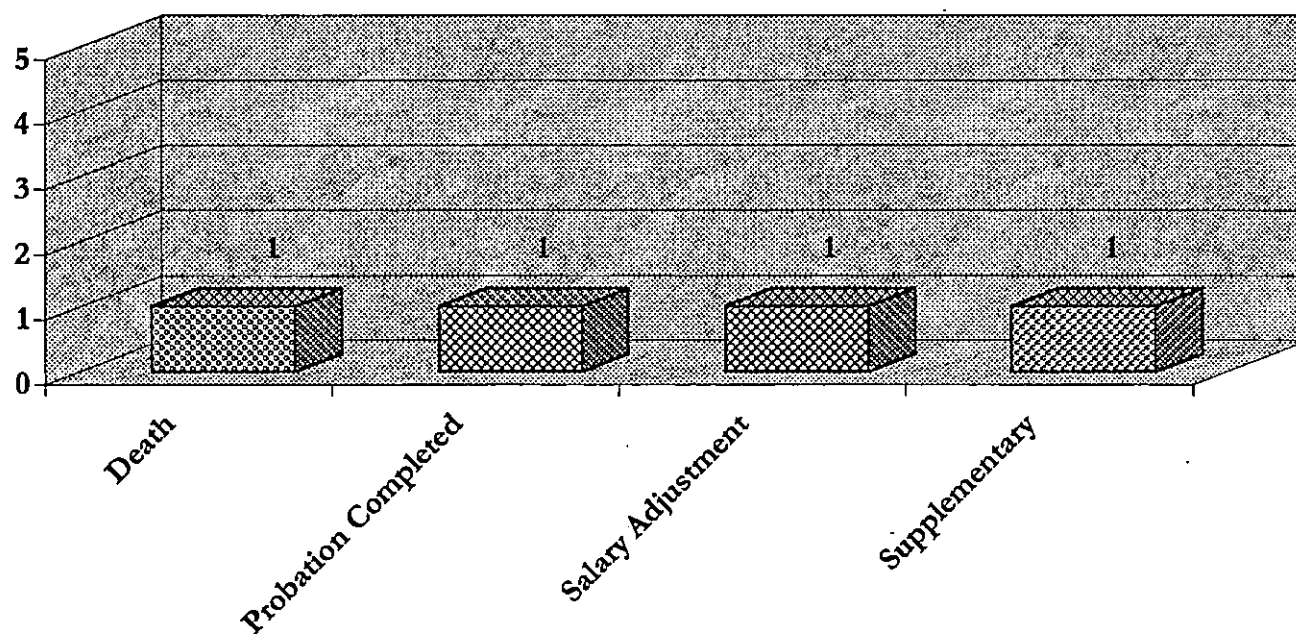
9/6/02 thru 11/8/02



Total Number of PARs = 1

Total Number of Actions = 1

PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS
9/9/02 thru 11/8/02



Total Number of PARs = 4

Total Number of Actions = 4

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
11/08/02

<u>DEPARTMENT NAME</u>	<u>July 1 Authorized Positions</u>	<u>Current Authorized Positions</u>	<u>+/- Position Adjustments</u>	<u>Current Position Strength</u>	<u>% Current Strength</u>
OFFICE OF THE PRESIDENT	6.00	6.00	0.00	6.00	100.00
DIVISION OF UNIVERSITY RELATIONS	32.50	32.50	0.00	31.00	95.38
DIVISION OF DEVELOPMENT	14.00	14.00	0.00	13.00	92.86
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	111.00	111.00	0.00	107.00	96.40
PHYSICAL PLANT	152.00	153.00	1.00	148.00	96.73
DIVISION OF STUDENT LIFE	125.30	126.30	1.00	126.30	100.00
DIVISION OF ACADEMIC AFFAIRS	29.50	29.50	0.00	28.50	96.61
CAUDILL COLLEGE OF HUMANITIES	142.11	142.11	0.00	128.61	90.50
COLLEGE OF BUSINESS	56.50	56.50	0.00	46.50	82.30
COLLEGE OF EDUCATION	90.00	91.00	1.00	79.00	86.81
COLLEGE OF SCIENCE AND TECHNOLOGY	153.10	154.10	1.00	148.10	96.11
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	14.00	17.00	3.00	15.00	88.24
GRADUATE AND UNDERGRADUATE PROGRAMS	43.14	43.14	0.00	44.14	102.32
CAMDEN-CARROLL LIBRARY	39.00	39.00	0.00	37.00	94.87
	1008.15	1015.15	7.00	958.15	94.39

NOTE: Positions are expressed in terms of full-time equivalency.

DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Standing I:** Appointment to a continuing full-time faculty, administrative or staff (exempt or non-exempt) position with benefits fully covered. No ending date. Appointment may be terminated, if for cause.
- Standing II:** Appointment to a continuing part-time faculty, administrative or staff (exempt or non-exempt) position with prorated sick and vacation leave. No ending date. Appointment may be terminated, if for cause.
- Fixed Term I:** Appointment to a full-time faculty, administrative or staff (exempt or non-exempt) position for at least six calendar months but not to exceed one year and with benefits fully covered. Non-faculty appointments may be renewed from year to year. Faculty appointments may be renewed from year to year but cannot exceed five academic years. Terminable on specified ending date of appointment, or earlier, if for cause.
- Fixed Term II:** Appointment to a full-time (up to six calendar months) or part-time (up to one year) faculty, administrative or staff exempt position with only mandated benefits. Terminable on specified ending date of appointment, or earlier, if for cause.
- Supplementary:** Supplementary appointment to original employment agreement. For example, Summer I & II faculty appointments or 9 month appointment extended to 10, 11, or 12 month appointment. Also used for additional responsibilities as supplement to Standing or Fixed Term appointments. For example, an administrator teaching a class or compensation for over-the-road pay. Not to be used for regular overtime pay. A supplemental appointment does not change an employee's base pay or employment status.

**THE FOLLOWING ARE TYPES OF APPOINTMENTS & PERSONNEL ACTIONS
REPORTED IN THE APPOINTMENT STATUS ACTIONS SECTION:**

ABOVE ENTRY LEVEL

PROMOTION

DEATH

RELEASE

DISCHARGE

RESIGNATION

FIXED TERM I

RETIREMENT

FIXED TERM II

SALARY ADJUSTMENT

INTERIM/APPOINTMENT

STANDING I

NEW POSITION

SUSPENSION

PROBATION COMPLETED

TITLE CHANGE

PROBATIONARY

TRANSFER

Appointment Status Actions

09/09/2002 - 11/08/2002

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

BAILEY, BONNIE HAY

Assistant Professor of CIS

Information Systems

332

\$43,459.00

\$43,459.00

Retirement

05/14/2003

BARKER, GARRY G.

University Editor

Off..of University Marketing

195

\$40,191.00

\$41,976.00

Probation

Transfer

Title Change

(From Director, Folk Art

Center to University

Editor, University

Marketing)

10/01/2002

Roster ID # 003171

BECKER, CAROL

Director of Financial Aid

Office of Financial Aid

2894

\$48,913.00

\$55,549.00

(\$6,636.00 incr.)

Standing I

Probation

Promotion

New Position

Salary Adjustment

Above Entry Level

Transfer

Title Change

(From Associate Director

to Director of Financial

Aid)

10/01/2002

Roster ID # 000922

Appointment Status Actions
09/09/2002 - 11/08/2002

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
BILITER, MARGARET MARIE Instructor of Nursing Nursing & All. Health-BSN Prog. 292 \$36,000.00		\$36,000.00	Resignation	12/13/2002	
BROWN, DINZLE ROY Assistant Professor Education Leadership & Secondary Educ. 395 \$40,000.00		\$48,000.00	Standing I	01/06/2003	Roster ID # 003366
CHOI, HAIWOOK Assistant Professor of CIS Information Systems 3316 \$76,824.00		\$77,824.00 (\$1,000.00 incr.)	Salary Adjustment (Received doctoral degree)	08/14/2002	Roster ID # 002996
COX, BETTY Assistant Professor Education Leadership & Secondary Educ. 2484 \$51,108.00		\$48,000.00	Standing I	01/06/2003	

Appointment Status Actions
09/09/2002 - 11/08/2002

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
DUVALL, ARDITH DALE Assoc. Dean, Univ.&Comm. Part. Primary - 16+ Program 3360 \$51,200.00		\$51,200.00	Title Change (From Dir., Adult Ed. Acad. to Assoc. Dean, Univ. & Comm. Part.)	10/07/2002	
EASTON, SARAH MARIE Bookkeeper I MSUCorps		\$8.21/hr.	Death	10/09/2002	
FRALEY, LANA BELLE Asst.Bldg.Serv. Superintendent Building Services 753 \$28,000.00		\$28,000.00	Retirement	10/31/2002	
GALLAHER, CHRISTOPHER S. Dept. Chair, Music Music 520 \$84,159.00		\$84,159.00	Retirement	06/30/2003	
JOHNSON, CARL SCOTT Systems Administrator II Office of Academic Computing 3291 \$38,557.00		\$38,557.00	Suspension (Without pay)	11/11/2002 - 11/15/2002	

Appointment Status Actions
09/09/2002 – 11/08/2002

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
JONES, PAMELA DIANNE Asst. Professor of Accounting Accounting, Econ. & Finance 3239 \$68,269.00		\$68,269.00	Release	05/10/2003	
LEVIN, SARAH Asst. Prof. Health Education Health, P.E. & Sport Science 423 \$38,380.00		\$38,380.00	Resignation	05/10/2003	
LUCKEY, JR., GEORGE M. Professor of Philosophy English, Foreign Lang. & Phil. 540 \$76,349.00		\$76,349.00	Retirement	05/10/2003	
MARSHALL, TED A. Dept. Chair, Socio., Soc. Work Sociology, Social Work & Crim. 623 \$65,658.00		\$2,189.00	Interim Appointment (Interim Chair, SSWC. PAR #36445 was superseded to change ending date and salary)	08/01/2002 – 10/31/2002	Roster ID # 000626

Appointment Status Actions

09/09/2002 - 11/08/2002

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
MARSHALL, TED A. Dept. Chair, Socio., Soc. Work Sociology, Social Work & Crim. 626 \$69,821.00	\$82,000.00	Standing I Salary Adjustment Title Change Promotion - Transfer (From Asst. Prof. Soc. Work to Dept. Chair & Asst. Prof. Soc. Work. From \$65,658 to \$82,000)	11/01/2002	Roster ID # 000623
MOORE, ZACHARY ALAN Assistant Football Coach Football 2284 \$26,848.00	\$26,848.00	Probation Completed	08/01/2002	
NEHRING, DANIEL FREDRIC Instructor of Management Manag., Market. & Real Estate	\$11,250.00	Fixed Term II	09/30/2002 - 12/13/2002	Roster ID # 001177

Appointment Status Actions
09/09/2002 - 11/08/2002

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
PACE, JOSEPH RANDELL Director of Admissions Office of Admissions 2897 \$34,640.00	\$45,000.00	Standing I Probation Promotion New Position Salary Adjustment Above Entry Level Transfer Title Change (From Associate Director to Director of Admissions. From \$40,565 to \$45,000. \$4,435 incr.)	10/01/2002	Roster ID # 000922
REILLEY, SEAN PATRICK Asst. Professor of Psychology Psychology 3307 \$41,000.00	\$42,000.00 (\$1,000.00 incr.)	Salary Adjustment (Receive doctoral degree)	08/14/2002	Roster ID # 002996
ROBINSON, FREDRICK STEWART Assistant Basketball Coach Men's Basketball 2218 \$35,840.00	\$35,840.00/11 mo.	Fixed Term I Probation	09/19/2002 - 03/31/2003	

Appointment Status Actions
09/09/2002 - 11/08/2002

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
ROE, BARBARA GALE Secretary Specialist Honors Res. Leader. College 146 \$9.34/hr.	\$9.34/hr.	Discharge	09/12/2002	
SCHACK, EDNA O. Assoc. Professor of Education Elem. Read. & Spec. Education 2195 \$28,380.00	\$42,570.00 (\$14,190.00 incr.)	Salary Adjustment (Contract revision)	08/14/2002	Roster ID # 002996
SCHACK, MARKHAM B. Professor of Education Elem. Read. & Spec. Education 444 \$33,366.00	\$50,049.00 (\$16,683.00 incr.)	Salary Adjustment (Contract revision)	08/14/2002	Roster ID # 002996
SEELEY, JANEL MARIE Professional Development Spec. Adult Education Academy	\$41,500.00	Probation Completed	09/08/2002	Restricted
SEELEY, JANEL MARIE Professional Development Spec. Adult Education Academy	\$42,496.00	Salary Adjustment (ATB raise. From \$41,500 to \$42,496. \$996 incr.)	09/08/2002	Restricted

Appointment Status Actions
09/09/2002 - 11/08/2002

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
SPRADLING, JEFF ALAN University Editor Off. of University Marketing 195 \$40,191.00	\$40,191.00	Resignation	09/20/2002	
STEVENS, BETTY JUNE Govern. Doc. & Cat. Technician Camden Carroll Library 687 \$12.66/hr.	\$12.66/hr.	Retirement	12/31/2002	
TENYER, ROBERT J. Coord., Recruiting Football 1137 \$32,315.00	\$32,315.00	Probation Completed	07/20/2002	

**THE FOLLOWING IS THE TYPE OF PERSONNEL ACTION REPORT
IN THE SUPPLEMENTAL ACTIONS SECTION:**

SUPPLEMENTARY

Total for this report = \$14,450.00

Other	\$14,450.00
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Supplemental Actions
09/09/2002 - 11/08/2002

Name

Title

Current Salary

Supplement

Description

Effective Date

Fund Source

Office of Athletics

MACY, KYLE ROBERT Head Basketball Coach \$76,066.00	\$3,000.00	Radio Broadcasting	11/08/2001- 02/26/2002	Unbudgeted Revenues
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College of Education

BLAIR, SHIRLEY S. Dir., Educational Service Unit \$64,936.00	\$5,000.00	PT3 Grant	07/01/2002 - 05/31/2003	Restricted
	\$248.00	KTIP training	07/09/2002 - 07/09/2002	Restricted
	\$248.00	KTIP training	07/23/2002 - 07/23/2002	Restricted
	\$248.00	KTIP training	08/06/2002 - 08/06/2002	Restricted
	\$248.00	KTIP training	08/17/2002 - 08/17/2002	Restricted
	\$2,400.00	Additional duties	07/06/2002 - 10/31/2002	Roster ID # 000397
	\$600.00	KDE training sessions	09/24/2002 - 09/27/2002	Restricted

Elem. Read. & Spec. Education

BRANHAM, DAN H. Dean, College of Education \$100,104.00	\$450.00	Consl. Eisenhower Grant	06/13/2002 - 06/13/2002	Restricted
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Inst. Region. Analy. Pub. Pol.

HAIL, MICHAEL W. Dir., Div. App. Res. Ser.&Pol. \$64,176.00	\$4,000.00	Tri-State Study Grant	07/01/2002 - 10/15/2002	Restricted
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Gear-Up Program

CONNELL, DANIEL J. Assoc. VP, Acad. Out. & Supp. \$90,816.00	\$2,000.00	Liaison for Gear-Up Prog.	06/01/2002 - 09/14/2002	Restricted
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**APPROVE REVISIONS TO
PERSONNEL POLICIES**

**BOR (V-A-3)
December 6, 2002**

Background:

The following revisions to the above-referenced personnel policies are being recommended:

I. PG-9, Personal Leave of Absence Without Pay (Other than Military or Family Medical Leave) and PG-10, Leave of Absence with Pay for Short-Term Military or National Guard Services or Training Duty

Housekeeping changes involving employee notification/permission for leave are being recommended.

II. PG-48, Vacation Leave

Policy revisions reflect the change in vacation leave administration from days to hours for administrative efficiency, the elimination of vacation eligibility for continuing part-time (Standing II) employees, clarifying existing practices, and various other housekeeping changes. Additionally, the policy is being revised to allow vacation accrual for probationary employees in order to enhance recruitment and retention efforts.

III. PG-49, Sick Leave

Policy revisions reflect changes in sick leave administration from days to hours for administrative efficiency, to define the University's "year" as related to the Family Medical Leave Act, to eliminate sick leave eligibility for continuing part-time employees, to clarify existing practices, and to make various housekeeping changes. Additionally, the policy is being revised to reflect the family-friendly practices of removing the limitations of sick leave usage for family member illnesses and increasing the scope of covered relationships.

IV. PG-52, Family and Medical Leave

This policy is being revised to clearly define the "12-month period" as stated in the Family and Medical Leave Act (Act) as a "fiscal year" in order to clarify existing practice. Additionally, the 12 days per year limitation on paid sick leave usage for the FMLA-covered illness of dependents is being removed. Other housekeeping changes are being made to reflect current practice.

The University's General Counsel has reviewed the proposed revisions. Members of the University Council, Staff Congress and Faculty Senate have been afforded opportunity for comment.

Recommendation:

That the Board of Regents amend PG-9, Personal Leave of Absence Without Pay (Other than Military or Family Medical Leave), PG-10, Leave of Absence With Pay for Short-term Military or National Guard Services or Training Duty, PG-48, Vacation Leave, PG-49, Sick Leave, and PG-52, Family and Medical Leave.

Policy: PG-9

Subject

Personal Leave of Absence Without Pay
(Other than Military or Family Medical Leave)

Approval Date: 07/01/85

Revision Date: 06/22/94; 11/14/97;

Technical Change Date: 04/30/91

PURPOSE:

To provide for granting a regular, full-time faculty or staff member a personal leave of absence without pay upon recommendation and approval of the employee's supervisor(s):

PURPOSE OF LEAVE:

A personal leave of absence without pay may be granted for extended vacation, personal business, medical reasons (beyond the limits of PG-52, Family and Medical Leave), professional travel, approved formal study or educational leave, or job-related employment. Such leave of absence request must be submitted to the individual's supervisor at least sixty (60) calendar days in advance and approved by the immediate supervisor in writing on an Exception Approval Form (forms available in Office of Human Resources).

A non-faculty employee of the University has as his/her primary responsibility, the obligation to fulfill the work requirements of the position for which he/she was employed. At times, however, a non-faculty employee of the University may choose to take part in an assignment, task, or activity external to the individual's employment. Such activities may include, but are not limited to, consulting, teaching outside the University, directing, or participating in special activity projects (e.g., camps or workshops). Absence from official work assignments will be accountable by either official leave or vacation leave as outlined in the University's Personnel Policy Manual. Participation in all such activities must have proper approvals.

NOTE: Such a personal leave may not be granted if it would cause an undue hardship on the operation of the department or create a conflict of interest.

A personal leave of absence may be granted based on the individual's continuous, full-time service, as follows:

An employee on such leave may have additional retirement system rights as provided by law

Length of Continuous Service at Start of the Leave	Maximum Length of Leave Granted
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During employee's probationary period	Up to one month
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Upon completion of employee's probationary period	Up to 12 months
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NOTE: For the purpose of this policy, a faculty member with a minimum of six months of continuous full-time service may request a personal leave of up to 12 months.

Short-term approved absences of less than one full pay period shall be handled as payroll deductions.

LEAVE LIMITS:

The maximum of any continuous leave of absence, normally, cannot exceed twenty-four (24) months, unless otherwise provided in the law.

Any employee who exceeds this period, regardless of the reason for the leave, will be released from the University. However, if extenuating circumstances exist, or if the leave may be in the best interest of the institution, the President may, upon request of the faculty or staff member, and the faculty or staff member's supervisor(s), recommend to the Board of Regents additional leave.

SERVICE AND SALARY DURING LEAVE:

An approved leave of not more than one year, may be counted towards continuous service for promotion, tenure, and sabbatical leave when the leave is in the mutual interest of the faculty and the University; however, being on leave does not assure a pay increase or other fiscal benefits. A faculty member must make written application to his/her department head for such leave to be counted towards continuous service. The request for leave must be approved by the respective department head, dean and the Executive Vice President for Academic Affairs prior to the leave being granted (see PAc-2 and PAc-27).

INSURANCE COVERAGE:

A faculty or staff member on a personal approved leave without pay for any reason other than a medical leave of absence as provided in this policy or an approved educational leave may elect to continue in the

86	insurance plans in which he/she is participating at his/her expense. The
87	University will continue to pay the insurance expense for faculty or staff
88	on approved medical or educational leave; however, if he/she does not
89	return to University employment for a minimum of six months at the
90	termination of leave, he/she will be responsible for reimbursement for
91	the insurance premiums paid by the University during the leave.
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93	VACATION AND
94	does
95	SICK LEAVE
96	ACCUMULATION:
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98	The faculty or staff member may retain sick or vacation leave
99	accumulated as of the beginning of an approved personal leave of absence.
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101	UNIVERSITY
102	HOLIDAYS:
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105	JOB
106	REINSTATEMENT:
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110	EARLY RETURN TO
111	ACTIVE SERVICE:
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A faculty or staff member on a personal leave of absence without pay does not accumulate vacation or sick leave unless he/she is paid for 11 or more workdays in that calendar month.

The faculty or staff member may retain sick or vacation leave accumulated as of the beginning of an approved personal leave of absence.

A faculty or staff member does not receive pay or compensatory time for any University holiday(s) that occurs while he/she is on leave of absence without pay.

An employee granted a personal leave of absence without pay will be reinstated to the same or to a similar position at the expiration of the leave. If the employee does not return, at the agreed upon date, his/her employment will be terminated.

If a faculty or staff member desires to return before his/her approved leave ends, he/she is to contact the appropriate Administrative Officer to determine whether an acceptable date for early return can be arranged.

Policy: PG-10

Subject

Leave of Absence with Pay for Short-Term Military or National Guard Services or Training Duty

Approval Date: 07/01/85

Revision Date: 03/26/87

PURPOSE:

To outline provisions of leaves of absence with pay for short-term, active military service or annual military field training.

U.S. MILITARY
RESERVE DUTY OR
KENTUCKY NATIONAL
GUARD DUTY:

All regular faculty or staff members, either enlisted or commissioned in any reserve component of the United States Army, Navy, Marine Corps, Air Force, or Coast Guard, or who are members of the National Guard of the Commonwealth of Kentucky, are entitled to leaves of absence from their respective duties without loss of pay on all days not exceeding fifteen (15) calendar days or ten (10) working days if the employee's position is based upon a five (5) day workweek; twelve (12) days if the employee's position is based upon a six (6) day workweek; fifteen (15) days if the employee's position is based upon a seven (7) day workweek in any one calendar year. Leave of absence under the policy will be granted only when the employee is engaged in active service or authorized training or activated for duty because of civil disturbance or emergency conditions. Accumulated vacation shall not be charged for absences from work to the limit described above. University approved absences beyond that limit are chargeable either to accumulated vacation or as payroll deductions as applicable. Such leave of absence request must be submitted to the immediate supervisor in writing on an Exception Approval Form (forms available in Office of Human Resources).

REQUIRED
DOCUMENTATION FOR
PAYMENT:

In order to qualify for continued University pay in accordance with the above provisions, the faculty or staff member must present to the University a copy of the signed orders or authorization mandating the absence and a copy of the military or national guard pay voucher for the period involved.

NOTE: This policy is intended in application to be consistent with applicable laws and not to exceed in interpretation or application the provisions of such applicable laws.

Policy: PG-48

Subject

Vacation Leave

Approval Date: 07/01/85

Revision Date: 06/22/90; 09/17/93; 11/14/97;

PURPOSE:

To define conditions for vacation leave for regular, full-time, and continuing part-time employees classified as administrative staff or exempt and or nonexempt staff. This policy also applies to full-time faculty members who are eligible for vacation and who are employed on a 9, 10, 11 or 12-month basis.

ACCUMULATION FOR
REGULAR FULL-TIME
EMPLOYEES:

For regular, full-time employees hired after June 30, 1990, who have completed a six-month probationary period, vacation shall be accumulated at the rate of 7.5 hours or 8 hours, depending upon the length of the employee's regularly scheduled work day, one (1) work day for each month of regular employment through the first 4 years of continuous service; 9.38 hours (7.5 hour employee) and 10.00 hours (8 hour employee) one and one-quarter (1 1/4) work days per month for 5 to 9 years of continuous service; 11.25 hours (7.5 hour employee) and 12.00 hours (8 hour employee) one and one-half (1 1/2) work days per month for 10 to 14 years of continuous service; and 12.53 hours (7.5 hour employee) and 13.36 hours (8 hour employee) one and two-thirds (1 2/3) work days per month after 15 years of continuous service. See Table below for accumulation rates for each period of university service:

Years service	1 - 4 years	5-9 years	10-14 years	15 yrs & over
7.5 hrs/day	7.50 hours	9.38 hours	11.25 hours	12.53 hours
8.0 hrs/day	8.00 hours	10.0 hours	12.00 hours	13.36 hours

For regular, full-time employees hired before July 1, 1990, vacation shall be accumulated at the rate of 9.38 hours (7.5 hour employee) and 10.00 hours (8 hour employee) one and one-quarter (1 1/4) work days for each month of regular employment through the first 9 years of continuous service; 11.25 hours (7.5 hour employee) and 13.36 (8 hour employee) one and one-half (1 1/2) work days per month for 10 to 14 years of continuous service; and commencing July 1, 1991, 12.53 hours (7.5 hour employee) and 13.36 hours (8 hour employee) one and two-thirds (1 2/3) work days per month after 15 years of continuous service. See Table below for accumulation rates for each period of university service:

Years service	1-9 years	10-14 years	15 yrs & over
7.5 hrs/day	9.38 hours	11.25 hours	12.53 hours
8.0 hrs/day	10.0 hours	13.36 hours	13.36 hours

After completion of a six month probationary period, ~~An employee~~ accumulates vacation in any month in which the employee is paid for 11 or more days, except that pay received for accumulated vacation at time of leave without pay, termination of employment, death, or retirement will not be credited toward the 11 days. The ~~earned~~ accrued vacation day is to be applied to the employee's leave balance at the beginning of the month following the month in which the member works eleven or more days. Vacation days may not be used before ~~they are earned and applied to the employee's leave balance~~ their actual accrual. Probationary employees do not receive any vacation credit during their probationary periods.

61 ACCUMULATION FOR CONTINUING PART TIME EMPLOYEES: An individual designated as a continuing part-time employee (see PG-1), after completing a probationary period, shall earn vacation at the rate of one full-time employee daily unit, depending on the length of service, for each 162 hours paid.

67 ACCUMULATION FOR SELECTED FULL-TIME FACULTY MEMBERS EMPLOYED ON A ~~NINE- TEN, ELEVEN OR~~ TWELVE-MONTH BASIS: A full-time faculty member who is determined to be eligible for vacation accrual by the ~~Provost and~~ Executive Vice President for Academic Affairs based on employment on a ~~nine, ten, eleven or~~ twelve-month basis, shall earn vacation for a period specified in the contractual arrangement and at the rate detailed for regular full-time employees.

76 ACCUMULATION FOR EMPLOYEES SERVING AN INITIAL PROBATIONARY PERIOD: Employees serving an initial probationary period will accrue vacation at the rate of 7.5 hours (for 37.5 hour per week employees) or 8.0 hours (for 40 hour per week employees) per month of employment. The vacation will not be vested and may not be taken until the employee successfully completes his/her probationary period. In the event the initial probationary period is extended for any reason, the employee will continue to accrue vacation at the rate specified above but it will not be vested nor will the employee be allowed to take vacation time until successfully completing the probationary period.

86 MAXIMUM The maximum accumulation of vacation for a full-time employee

87 ACCUMULATION:

shall be 30 work days.

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~~The maximum accumulation for a continuing, part time employee depends on length of service and shall be one half the maximum accumulation provided to full time employees.~~

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Vacation balances over the above maximums shall not be permitted.

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94 VACATION USAGE:

The work requirements of the University shall take priority in the scheduling of vacation or other time off. Insofar as possible, however, consideration will be given to any specific request by an individual; competitive requests for the same time off shall ordinarily be decided in favor of the person with the longer period of continuous service in the unit.

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Vacation must be scheduled in advance and approved by the immediate supervisor in writing on an Exception Approval Form (forms available in the Office of Human Resources). Otherwise, the time off will may result in a salary deduction and is cause for disciplinary action, unless the supervisor judges the circumstances to have been an emergency.

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An administrative unit may establish periods of time when vacation may or may not be taken and/or periods of time when vacation requests are to be submitted. If such latter times are established, vacation requests submitted other than during the specified periods shall be considered after requests received during the specified periods.

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Only days on which the employee normally would have worked are charged against accumulated vacation.

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Vacation leave is charged in not less than one hour units.

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118 PAYOFF OF
119 ACCUMULATED
120 VACATION:

An nonprobationary employee who retires, terminates employment, returns or is reassigned to a non-vacation accruing position, dies, or commences a leave of absence without pay (except for illness, including maternity or injury—see PG-9) shall receive the cash equivalent for unused vested vacation as of that date or a maximum of 30 days. The cash equivalent for an hourly employee is determined by dividing the annual salary by 1,950 times seven-and-one-half (7 1/2) times the number of unused days for an employee on a thirty-seven and one-half hour work week; or by 2,080 times eight (8) times the number of unused days for an employee on a 40-hour week. The cash equivalent for an exempt employee is determined by dividing the salary by the number of days in

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contract (i.e. 195, 260, etc.) There is no other cash settlement for accumulated vacation.

~~SUPERSEDES:~~

~~This policy supersedes PAd 2, "Vacation Leave for Employees Classified as Administrative," adopted by the Board of Regents on July 1, 1985; PSE 3, "Vacation Leave for Staff Exempt Employees," adopted by the Board of Regents on July 1, 1985; and PSNE 3, "Vacation Leave for Staff Nonexempt Employees," adopted by the Board of Regents on July 1, 1985. This policy also supersedes PAc 20, "Vacation Leave for Faculty Members on Twelve Month Appointments," adopted by the Board of Regents on July 1, 1985.~~

Policy: PG-49

Subject

Sick Leave

Approval Date: 07/01/85

Revision Date: ~~06/22/90~~; 06/22/94; 11/14/97

PURPOSE:

To provide pay for a regular full-time ~~or continuing part-time~~ employee who is unable to work due to illness or injury.

SICK LEAVE
REGULAR FULL-TIME
EMPLOYEES:

A regular, ~~non-faculty~~ full-time employee, hired after June 30, 1990, accumulates ~~7.5 or 8.0 hours~~ one day of sick leave per calendar month ~~or per month of contract, whichever is less~~ (12 days per year).

A regular, full-time employee, hired before July 1, 1990, accumulates ~~7.5 or 8.0 hours~~ one day of sick leave per calendar month (12 days per year). After 10 full years of service, the rate shall increase to 11.25 hours ~~(7.5 hour employee) and 12.0 hours (8.0 hour employee)~~ one and one-half (1 1/2) days per month (18 days per year).

~~A regular full-time faculty member hired between July 1, 1990 and June 21, 1994, inclusively, accumulates 7.5 hours of sick leave per calendar month, regardless of the faculty member's contract months.~~

An employee accumulates sick leave in any month in which he/she is ~~actively employed and in~~ paid status for 11 or more days, except that pay received for accumulated vacation at the time of a leave of absence without salary, termination of employment, retirement, or death will not be credited toward the 11 days. The accrued sick day is applied to the employee's sick leave balance at the beginning of the month following the month in which the employee has worked eleven or more days. Sick leave days may not be used in advance of their actual accrual.

Upon appointment, a regular full-time administrative employee, as defined in PG-2, is credited with ~~90 hours~~ 12 days of sick leave. Beginning with the second year of employment the full-time regular administrative employee accumulates ~~7.5 hours~~ one (1) day of sick leave per calendar month ~~or per month of contract, whichever is less~~ (12 days per year). This is added to any sick leave balance from the first year.

44 Upon appointment, a regular, full-time faculty member is credited with a
45 sick leave accumulation equal to one day per month of appointment, i.e.
46 ~~67.5 hours~~ nine days for 9-month appointment, ~~75.0 hours~~ ten days for
47 10-month appointment.

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49 Beginning with the second year of employment, the full-time regular
50 faculty member accumulates 7.5 hours of sick leave per month of
51 contract. This is added to any sick leave balance from the first year.

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53 ~~SICK LEAVE~~ — Those administrative or academic employees who are designated as
54 ~~ACCUMULATION FOR~~ continuing part time (PG 1) will be granted a balance of six sick
55 ~~CONTINUING PART~~ leave days upon appointment.
56 ~~TIME EMPLOYEES:~~

57 Accrued sick leave may be accumulated indefinitely.

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59 Staff members who are designated as continuing part time employees (see
60 PG 1) shall earn one day of sick leave for each 162 hours paid.

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62 Beginning with the second year of employment, continuing part time
63 administrative or academic employees shall earn one half (1/2) day of sick
64 leave per calendar month of continuous employment, i.e., six days per
65 year. This sick leave will be added to any sick leave balance from the first
66 year.

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68 ILLNESS OR INJURY:

69 Employees shall utilize paid sick leave for personal illness, injury, or any
70 disability due to pregnancy, childbirth or recovery therefrom. A
71 supervisor may request documentation of the circumstances if extended
72 time off for illness or injury is anticipated or if it appears that the
73 conditions for the usage of sick leave may not be appropriate. A
74 supervisor may also request documentation as to when the employee can
75 return to work.

76 Upon request, up to twelve days of paid sick leave may be charged, in a
77 12-month period, to care for an employee's son, daughter, grandchild
78 grandparent, brother, sister, spouse or parent for illness or injury. If such
79 leave is designated as Family and Medical Leave, up to 100% of the
80 employee's accrued sick leave may be designated as paid sick leave.
81 Supervisor may request documentation of the need for such time off.
82 Sick leave absences are charged in not less than one-hour units.

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84 The term "parent" means the biological parent of an employee or an
85 individual who stood in "loco parentis" to an employee when the

employee was a child, i.e., an individual who was charged with parental rights and responsibilities for the employee.

A "son" or "daughter" means a biological, adopted, foster child, stepchild, legal ward or a child of a person standing in loco parentis who is under 18 years of age, or 18 years of age or older and incapable of self-care because of a mental or physical disability.

In accordance with PG-52: Family and Medical Leave Policy, the University shall require the employee to first substitute accrued sick leave, then accrued vacation leave for any portion of the 12-week unpaid leave required in the Family and Medical Leave Act of 1993 for the serious illness of the employee or for the birth, adoption, or foster care of a child, or for a serious illness of a covered family member. The University, however, will not provide paid sick leave for any situation in which the employee would not normally receive paid sick leave.

Employees who are on extended sick leave should keep the department informed of his/her medical status on a regular basis. Supervisors may request additional documentation from the physician.

When a University holiday occurs during an absence chargeable to sick leave, that holiday is not charged as sick leave. If the employer's activity ceases for one or more weeks during an employee's leave, this time does not count toward the 12-week FMLA leave.

MEDICAL OR DENTAL ALLOWANCES: Paid sick leave may be used to cover absences because of dental or medical appointments. Such time shall be charged against sick leave. Short absences shall be accumulated and charged in not less than one hour increments.

SICK LEAVE AT TERMINATION OF EMPLOYMENT, RETIREMENT OR DEATH: Unused sick leave will not be paid upon termination of employment, retirement, or death. However, a member of the Kentucky Employees' Retirement Systems will receive service credit for a portion of his/her sick leave balance at retirement. Such credits shall be applicable only for retirement service.

WHEN ALL PAID SICK LEAVE IS EXHAUSTED: When an individual has used all of his/her sick leave and/or vacation leave, a leave of absence may be granted upon request up to the limits of the Leave of Absence Without Pay Policy PG-9, or the Family and Medical Leave Policy PG-52.

129 NOTIFICATION OF
130 SUPERVISOR:
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132 In order to provide time to cover scheduled responsibilities, the
133 individual is responsible for notifying his/her supervisor within a
134 reasonable period of time, but prior to the start of the scheduled work
135 period in which the absence is to occur. Failure to do so may be cause
136 for denial of sick leave for the period of absence, and/or appropriate
137 disciplinary action. Supervisors are responsible for insuring that
138 Exception Approval Forms are completed and submitted to the Office of
139 Human Resources.
140
141 PATTERN OF USE
142 OF SICK LEAVE:
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144 If the pattern of sick leave utilization becomes suspect, the supervisor
145 may notify the individual, in writing, requiring the individual to present
146 a doctor's certificate for any sick leave absences that have or may occur.
147 Failure by the individual to present such a certificate may result in
148 disciplinary action including termination and/or payroll deduction for
the time missed. When significant improvement in attendance is shown,
the employee will be relieved of the requirement to provide medical
certification.

147 SICK LEAVE RECORDS: All official sick leave records shall be maintained in the Office of Human
148 Resources.

Policy: PG-52

Subject

Family and Medical Leave

Approval Date: 09/17/93

Revision Date: 06/01/2002

PURPOSE:

To provide faculty and staff members unpaid leaves of absence in keeping with the provisions of the Family and Medical Leave Act of 1993. The requirements of that Act and the provisions of this policy became effective August 5, 1993.

CONDITIONS OF

Any University employee who has completed at least 12 months of service

LEAVE:

and who has worked at least 1250 hours with the University in the previous 12 months is covered by this policy. Such an employee will be eligible to take an unpaid leave of absence for up to 12 work weeks during any 12-month the fiscal year (July 1 to June 30) period for the following reasons:

1. Birth of a son or daughter to the employee, in order to care for such child;
2. Placement of a son or daughter with the employee for adoption or foster care;
3. To care for an employee's son, daughter, spouse or parent who has a serious health condition and/or;
4. Because of a serious health condition that makes the employee unable to perform the essential functions of his/her job.

Entitlement to a birth, adoption or foster care leave ~~will extend for a 12-month period from the date of such birth, adoption or foster care placement must be completed within 12 months of birth, adoption or foster placement.~~

DEFINITION:

A "serious health condition" is defined as an illness, injury, impairment or physical or mental condition that involves inpatient care in a hospital,

hospice or residential medical care facility, or continuing treatment by a health care provider.

The term "parent" means the biological parent of an employee or an individual who stood in "loco parentis" to an employee when the employee was a child, i.e., an individual who was charged with parental rights and responsibilities for the employee.

A "son" or "daughter" means a biological, adopted, foster child, stepchild, legal ward or a child of a person standing in loco parentis who is under 18 years of age, or 18 years of age or older and incapable of self-care because of a mental or physical disability.

The University requires health care provider certification of the need for a leave of absence because of a serious health condition of the employee, or of the son, daughter, spouse or parent of the employee. The certification is to state:

1. The date on which the serious health condition commenced;
2. The probable duration of the serious health condition;
3. The appropriate facts regarding the serious health condition;
4. A statement that the employee is needed to care for the son, daughter, spouse or parent (as applicable), and the estimated period of time such care will be needed;
5. A statement that the serious health condition makes the employee unable to perform the essential functions of his/her job.

The University may, at its expense, require the opinion of a second health care provider of its choosing. If a conflict occurs between the opinions of the first and second health care providers, the opinion of a third health care provider, jointly chosen by the University and the employee, at the University's expense, may be required. This person's opinion will be final and binding. Recertifications on a reasonable basis, at the University's expense, are also permitted.

Employees are to give at least 30 days notice of all foreseeable leaves for an expected birth or adoption, or for planned medical treatment. However, if the date of birth, adoption or medical treatment requires the leave to begin in less than 30 days, the employee is to provide as much

notice as is practicable under the circumstances. Employees are to make a reasonable effort to schedule planned medical treatments so as not to unduly disrupt the University's operations. Supervisors are responsible for insuring that Exception Approval Forms are completed for FMLA leaves.

When both husband and wife are employed by the University, the aggregate number of work weeks of leave for both employees is limited to 12 weeks over a 12-month period if the leave is for a birth, placement for adoption or foster care, or to care for a sick parent. For other types of leaves under the Act (i.e., serious illness of the employee or the employee's spouse or child), each employee retains the right to take up to 12 work weeks of leave.

A leave due to a serious health condition of a child, spouse, parent or the employee may be taken intermittently or on a reduced work schedule, when medically necessary, if the employer and employee agree. Reduced leave means a leave that reduces an employee's usual number of work hours per day or per week.

If an employee requests an intermittent leave or a reduced leave that is foreseeable based on planned medical treatment, the University may require the employee to transfer temporarily to a comparable position for which the employee is qualified. Such a transfer shall be to a position of equivalent pay and benefits.

The University may require health care provider certification for an intermittent or reduced leave for planned medical treatment to include: the dates on which such treatment is expected to be given; the duration of the treatment and a statement of the medical necessity for the intermittent or reduced leave schedule.

The University shall require the employee to substitute accrued sick leave or vacation leave for any portion of the 12-week unpaid leave required in the law for the serious illness of the employee or for the birth, adoption or foster care of a child, or for a serious illness of a covered family member. The University, however, will not provide paid sick leave for any situation in which the employee would not normally receive paid sick leave.

A faculty or staff member on a leave of absence will not accumulate vacation or sick leave unless he/she is paid for 11 or more days in that calendar month.

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130 UNIVERSITY

131 HOLIDAYS:

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137 INSURANCE

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139 COVERAGE:

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150 JOB REINSTATEMENT:

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160 EARLY RETURN

161 TO WORK:

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A faculty or staff member will not receive salary or compensatory time for any University holiday(s) that occurs while he/she is on an unpaid leave of absence. If employer's activity ceases for one or more weeks during an employee's leave, this time does not count toward the 12-week FMLA leave.

An employee may continue his/her group health, dental and life insurance

coverages during a leave at the same level and under the same conditions he/she would have received had the leave not occurred. It is the employee's responsibility to make arrangements with the Office of Human Resources Payroll Office for payment of the required premium if he/she is off the payroll during the leave of absence. Failure to do so may result in the termination of such insurance coverages. Notwithstanding the above, the University shall maintain its contributions to the group health, dental and life insurance coverages at the same level and under the same conditions the employee would have received had the leave not occurred.

An employee will be reinstated to the same or an equivalent position with the same pay and benefits that he/she received and under the same terms and conditions of employment as when the leave began.

In the event of a serious health condition, the University shall require the employee to provide certification from an appropriate health care provider indicating that he/she is able to resume work. Also, the University may require an employee on leave to report periodically on his/her status and intention of returning to work.

If a faculty or staff member desires to return to work before his/her approved leave ends, he/she is to contact the appropriate administrative officer to determine an acceptable date for returning to work.

**ACCEPT 2001-2002 AUDIT REPORT,
FOURTH QUARTER FINANCIAL
REPORT, AND AMEND
OPERATING BUDGET**

**BOR (V-A-4)
December 6, 2002**

Background:

KRS 164A.570 requires an annual audit to be conducted by all universities in the state system. The audit is to be conducted by an independent public accounting firm. At the June 1, 2002 meeting the Board of Regents approved the recommendation of the Audit Committee for the appointment of Crowe, Chizek and Company to conduct the 2001-02 fiscal year audit. The Board also approved the Audit Committee's recommendation for the minimum scope of the audit work to be performed.

The Audit Committee met on November 15, 2002. Ms. Laurie Williams, a CPA with Crowe, Chizek and Company, presented the University's audited financial statements to the Committee for acceptance. The audit report was issued with an unqualified opinion on the financial statements. The statements in the report were presented in the new format as required by *Government Accounting Standards Board Statement 35*.

The information contained in the audited financial statements is reflective of all transactions for the fiscal year and serves as the University's fourth quarter financial report to the Board. Also presented as a part of the fourth quarter financial report are amendments to the operating budget and a capital outlay status report.

Recommendation:

That the Board accept the audit report for the fiscal year ended June 30, 2002, as presented by Crowe, Chizek and Company, accept the reports related to the 4th quarter financial information and capital outlay, and amend the operating budget for the 2001-02 fiscal year.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period April 1, 2002 to June 30, 2002

Description	Opening Budget	Amended Budget As Of 04/01/2002	Adjustments	Amended Budget As Of 06/30/2002
Revenues and Other Additions				
Tuition and Fees	\$24,013,500	\$25,399,085	\$ 232,625	\$25,631,710
Government Appropriations	41,420,900	41,943,199	752,755	42,695,954
Government Grants & Contracts	50,000	50,000	-	50,000
Indirect Cost Reimbursement	346,000	346,000	31,030	377,030
Sales and Services of Ed. Activities	1,063,000	1,223,146	95,554	1,318,700
Other Sources	1,408,200	1,588,075	292,665	1,880,740
Budgeted Fund Balance - E&G	6,702,100	8,090,722	-	8,090,722
Auxiliary Enterprises	10,723,300	10,736,300	52,000	10,788,300
Budgeted Fund Balance - AUX	1,670,000	1,866,950	-	1,866,950
Total Revenues and Other Additions	\$87,397,000	\$91,243,477	\$ 1,456,629	\$92,700,106
Expenditure Authorizations by Division				
Educational & General				
President & Administration	\$ 679,207	\$ 674,801	\$ 26,659	\$ 701,460
University Relations	1,673,182	1,969,983	35,580	2,005,563
Development	728,041	922,200	(3,151)	919,049
Administration & Fiscal Services	11,093,427	12,008,914	387,425	12,396,339
Student Life	11,669,470	11,844,407	138,808	11,983,215
Academic Affairs	38,293,534	40,306,469	813,077	41,119,546
Debt Service & Mandatory Transfers	2,326,666	2,490,424	8,500	2,498,924
Other	8,262,742	7,935,261	144,919	8,080,180
Total Educational & General	\$74,726,269	\$78,152,459	\$ 1,551,817	\$79,704,276
Auxiliary Enterprises				
Administration & Fiscal Services	\$ 7,310,711	\$ 7,332,271	\$ (73,916)	\$ 7,258,355
Student Life	750,256	926,714	3,728	930,442
Debt Service	2,639,764	2,639,764	-	2,639,764
Other	1,970,000	2,192,269	(25,000)	2,167,269
Total Auxiliary Enterprises	\$12,670,731	\$13,091,018	\$ (95,188)	\$12,995,830
Total Expenditure Authorizations	\$87,397,000	\$91,243,477	\$ 1,456,629	\$92,700,106

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period April 1, 2002 to June 30, 2002

<u>From:</u> <u>Revenue and Other Additions</u>	<u>To:</u> <u>Division/ Budget Unit</u>	<u>Amount</u>	<u>Description</u>
Summer Tuition Revenue	Academic Affairs Summer Sessions	\$ 226,102	Excess summer school tuition revenue was utilized to fund the additional amount needed to cover summer school faculty salaries.
State Appropriation Revenue Endowment Trust Fund	Non-Mandatory Transfers Transfer to Endowment	\$ 635,000	Funds were received from CPE for the Endowment Match Program. These funds were transferred to the MSU Foundation.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period April 1, 2002 to June 30, 2002
Notes of Significant Adjustments to Revenue and Other Additions

Tuition and Fees

Excess unbudgeted summer school tuition revenue totaling \$226,102 was utilized to cover the additional amount needed for summer school faculty salaries.

Government Appropriations

- MSU received \$635,000 for the Endowment Matching Program from the CPE Endowment Trust Fund. These funds were transferred to the MSU Foundation.
- MSU was to receive a total of \$1,435,000 in FY 02 from the CPE Action Agenda Trust Fund. During the fourth quarter, \$118,725 was allocated as follows:
 - \$7,669 to Student Life
 - \$111,056 to Academic Affairs

Indirect Cost Reimbursement

Grants F&A (Facilities and Administration) revenue was permanently reallocated to fund a Grants Resource Coordinator position in the Office of Research, Grants and Contracts within the Academic Affairs division. During the fourth quarter of FY 02, the amount reallocated totaled \$31,030. The annual reallocation scheduled for FY 03 is \$39,342.

Sales and Services of Educational Activities

Unbudgeted revenue allocated during the fourth quarter totaled \$95,554.

- Eagle Athletic Fund (EAF) support from the MSU Foundation totaled \$76,302. The funds were budgeted in various athletic programs.
- \$3,072 allocated from Athletic Parking and Other Athletic Revenue
- \$2,545 allocated from Gate Receipts – Basketball
- \$4,000 allocated from Horse Sale Revenue
- \$3,000 allocated from Veterinary Services Fee Revenue
- \$3,332 allocated from Pool Pass Revenue

Other Sources

Budget allocations from other sources increased by \$292,665 in the fourth quarter.

- Unbudgeted support from the MSU Foundation increased by \$28,621.
 - \$14,387 allocated to various academic programs
 - \$10,891 allocated to MSU Public Radio
- Miscellaneous Other Income increased by \$88,711 with the majority being allocated to Academic Affairs
- Unbudgeted revenue totaling \$136,053 was allocated from Child Development Program revenue to support expenditures in that program. Previously, this program operated in the restricted fund and was transitioned over to the unrestricted fund in FY 02.

Auxiliary Enterprises

- Unbudgeted Concession Sales & Vending revenue totaling \$45,000 was allocated to Concessions & Vending
- Unbudgeted Hard Goods Sales – Golf Course revenue totaling \$7,000 was allocated to the Golf Course

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of April 1, 2002 to June 30, 2002

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$100,000			
None			
II Capital Construction Projects/ Land Acquisitions Greater than \$200,000			
1998-00 Deferred Maintenance and Government Mandates Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Elevator Upgrades/Installation (RH, LC, CY)	\$ 350,000	March, 2001	Completed
Fire Alarm Upgrades/Replacement	150,000	October, 2000	Completed
Mechanical System Replacements (AA, ADUC)	250,000	January, 2001	Completed
Window Replacement (BM)	150,000	August, 2001	Completed
Window Replacement (CB)	300,000	July, 2000	Completed
Window Replacement (LC)	150,000	August, 2000	Completed
Dam Restoration	800,000		In Progress
	<u>\$ 2,150,000</u>		
Lakewood Terrace Family Housing Complex	\$ 4,000,000		In Progress
MSU Network Project Phase VI (FY 01/02)	\$ 250,000	June, 2002	Completed
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project II - 2000	\$ 1,580,000		In Progress
Project III - 2001	980,000	August, 2001	Completed
Project IV - 2002	800,000		In Progress
Project V - 2003	3,000,000		Scheduled
	<u>\$ 6,360,000</u>		

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of April 1, 2002 to June 30, 2002

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
2000-02 Capital Renewal and Maintenance Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Life Safety - E&G	\$ 200,000	April, 2002	Completed
1990 Clean Air Act Compliance - E&G			
Claypool-Young Chiller Replacement	135,000	August, 2000	Completed
Ginger Hall, Reed Hall, Laughlin Chiller Replacement	566,000		In Progress
Roof Replacement - Button, Rice Maint. Bldg., Claypool-Young, Combs	397,000	October, 2001	Completed
Roof Replacement - Baird	150,000		In Progress
Mechanical Systems Replacements	556,800		In Progress
Mechanical Systems/HVAC	350,000		In Progress
Ceiling Tile Replacement (Rader & Laughlin)	88,400	October, 2001	Completed
Window Replacement (Rader)	107,000	September, 2001	Completed
Gas Fired Boiler Installation	399,000	April, 2002	Completed
Central Campus Reconstruction	300,800	May, 2002	Completed
	<u>\$ 3,250,000</u>		

**ACCEPT FIRST QUARTER
FINANCIAL REPORT AND
AMEND OPERATING BUDGET**

**BOR (V-A-5)
December 6, 2002**

Background:

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of September 30, 2002 for the first quarter of the fiscal year that will end on June 30, 2003. The statements, along with management's discussion and analysis and budget amendment information are attached.

Recommendation:

That the Board accept the first quarter financial statements and amend the operating budget.

Management's Discussion and Analysis
First Quarter Financial Statements
Morehead State University
September 30, 2002

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the three months that ended on September 30, 2002. The statements and this discussion and analysis have been prepared by Administration and Fiscal Services staff.

Using These Financial Statements

This report consists of two basic financial statements. The Statements of Net Assets includes information about the assets, liabilities and net assets, or fund balances, of the entire University. The Statements of Revenues, Expenditures and Changes in Fund Balance provides information about the unrestricted current funds revenues, expenditures and transfers of the University. The statements are prepared on an accrual basis and reflect the results of all transactions that affect the financial status of Morehead State University. These financial statements have not been prepared in full accordance with *Government Accounting Standards Board Statement 35* (GASB 35). Interim statements are prepared using a fund approach to facilitate budget comparisons and management decisions. Year-end statements are prepared in the GASB 35 format.

Financial Highlights

Morehead State University's financial picture remains stable through the first quarter of the 2002-2003 fiscal year. During the period July 1, 2002 through September 30, 2002 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$13,014,355. This level of operating surplus is expected at this time, since most of the billings for the Fall 2002 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2002 are reflected, and will continue to be more evenly reflected during the fiscal year. As the year concludes, the variance between revenues and expenditures will decrease and should reflect a more appropriate operating surplus or deficit.

As presented in the December 31, 2001 financial statements, since the Board ratified the University's 2002-2004 Biennial Budget request in November 2001, as proposed by the Council on Postsecondary Education, we have been officially apprised of the following reduction in state appropriations:

	2001/2002	2002/2003
Base Operating Budget (2%)	\$768,600	\$768,600
Operations and Maintenance Funding	\$101,800	0
Incentive Trust Funds (2%)	\$35,110	0
Total	\$905,510	\$768,600

Significant trends and variances for the three months are summarized as follows:

- As can be seen from the Statements of Net Assets, investments increased approximately \$9 million from the first quarter of the previous year and the

reflected cash has increased by approximately \$2 million, for a net increase of \$11 million. The majority of the increase in cash and investments consists of bond proceeds from a refinancing issue. These funds will be used in the second quarter 2002-03 to retire older bonds issued at higher interest rates.

- Accounts receivable have remained stable as a whole compared to September 30, 2001, with the increase due to timing for billing for financial aid credits to student accounts.
- The net investment in capital assets has increased about \$5 million since September 30, 2001 but for the fiscal year the increase has been approximately \$1.2million. This fiscal year increase relates mainly to Life Safety Projects \$.5 million, Family Housing \$.4 million, Breckinridge and Dam Repairs \$.4 million, Library \$.6 million, and various internally managed projects and equipment purchases \$.6 million less estimated depreciation (about \$1.3 million), for a net increase of about \$1.2 million.
- The percentage of revenue assessments compared to budget projections appears to be in line with expectations through the first quarter of a fiscal year, considering that most tuition, fee and housing revenues had been billed as of September 30, 2002. Budgets for the major revenue categories of tuition and housing were based on projections of enrollment and residence hall occupancy. Fall semester projections for both these categories were exceeded.
- Expenditure trends also appear to be proceeding according to the budget plan, considering normal cyclical and timing differences.

MOREHEAD STATE UNIVERSITY

Statements of Net Assets

September 30, 2002 and 2001

ASSETS	<u>2002</u>	<u>2001</u>
Cash	\$27,353,778	\$25,304,905
Investments in US government obligations - at cost	26,705,450	17,029,827
Accounts Receivable	10,715,244	10,040,435
Inventories	1,841,093	2,004,609
Notes Receivable	3,479,341	3,508,027
Land, Buildings, Equipment and Library Collection- net of depreciation	<u>105,635,227</u>	<u>100,526,397</u>
TOTAL ASSETS	<u>\$175,730,134</u>	<u>\$158,414,200</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$787,767	\$3,121,936
Accrued salaries and other liabilities	638,062	691,343
Unearned revenues-state and federal grants	1,528,823	828,891
Deposits	1,399,785	1,131,139
Accrued vacation pay	2,078,755	1,151,142
Bonds and notes payable	<u>35,812,974</u>	<u>29,858,344</u>
Total Liabilities	<u>\$42,246,166</u>	<u>\$36,782,795</u>
Net Assets		
Capital	\$69,822,253	\$70,668,053
Non-capital		
Restricted	34,035,921	20,825,352
Non-restricted	<u>29,625,794</u>	<u>30,135,642</u>
Total Net Assets	<u>\$133,483,968</u>	<u>\$121,629,047</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$175,730,134</u>	<u>\$158,411,842</u>

ANALYSIS OF NON-RESTRICTED FUND BALANCE

Allocations		
Working Capital		
Accounts Receivable	\$6,850,914	\$6,350,106
Inventories	1,841,093	2,004,609
Cashier's Operating Funds	100,000	105,000
Budgeted Fund Balance-Capital Projects	4,465,395	2,065,700
Budgeted Fund Balance-Non-capital Projects	<u>3,498,736</u>	<u>1,647,800</u>
Total Working Capital	<u>\$16,756,138</u>	<u>\$12,173,215</u>
Funded Reserves	<u>\$1,265,263</u>	<u>\$1,684,500</u>
Total Allocated Fund Balance	\$18,021,401	\$13,857,715
Unallocated Fund Balance	<u>11,604,393</u>	<u>16,277,927</u>
Total Unrestricted Fund Balance	<u>\$29,625,794</u>	<u>\$30,135,642</u>

See Attached Notes To Statements of Net Assets

**NOTES TO STATEMENTS OF NET ASSETS
MOREHEAD STATE UNIVERSITY
SEPTEMBER 30, 2002 AND 2001**

1. These Statements of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts receivable are shown net of allowance for uncollectible student accounts of \$305,639 at September 30, 2002, and \$247,247 at September 30, 2001. Also included in this category is the sum of \$4,217,861 receivable from federal and state grant agencies at September 30, 2002 and \$3,682,584 at September 30, 2001.
3. Notes receivable represent balances owed the University from borrowers who have participated in the National Direct Student Loan Program and the Nursing Student Loan Program. The balances are presented net of allowances for uncollectible accounts in the amount of \$149,631 at September 30, 2002, and \$151,885 at September 30, 2001.
4. Accumulated depreciation on buildings and equipment was \$101,972,140 at September 30, 2002, and \$86,696,727 at September 30, 2001.
5. Accrued salaries and other liabilities include amounts due for withheld and matching portions of payroll taxes and estimated claims payable but unsubmitted to the University's health insurance program.
6. Unearned revenues from federal and state grants represent amounts received but not expended at the balance sheet dates.
7. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets.
8. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
9. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance .
For the Three Months Ended September 30, 2002 and 2001

	2002-2003			2001-2002		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$ 27,092,365	\$ 14,942,435	55.15%	\$ 24,013,865	\$ 13,761,279	57.31%
Gov't Appropriations	42,747,300	13,108,025	30.66%	42,591,421	13,013,704	30.55%
City Grants	50,000	0	0.00%	0	0	
Unrestricted Gifts	0	0		0	0	
Indirect Cost Reimbursement	328,658	151,137	45.99%	346,000	142,456	41.17%
Sales & Services of Ed. Activities	1,084,001	346,670	31.98%	1,144,729	329,292	28.77%
Other Sources	1,601,662	711,393	44.42%	1,474,259	781,181	52.99%
Budgeted Fund Balance - E & G	7,429,311	0		6,859,759	0	
Total Educational and General	\$ 80,333,297	\$ 29,259,660	36.42%	\$ 76,430,033	\$ 28,027,912	36.67%
Auxiliary Enterprises						
Housing	\$ 7,787,490	\$ 3,630,612	46.62%	\$ 8,444,200	\$ 3,610,137	42.75%
University Store	3,384,000	1,472,314	43.51%	3,150,000	1,867,722	59.29%
Food Services	651,500	151,026	23.18%	608,500	128,393	21.10%
Other	196,500	75,442	38.39%	203,600	77,847	38.24%
Total Auxiliary Enterprises	\$ 12,019,490	\$ 5,329,394	44.34%	\$ 12,406,300	\$ 5,684,099	45.82%
TOTAL REVENUES	\$ 92,352,787	\$ 34,589,054	37.45%	\$ 88,836,333	\$ 33,712,011	37.95%

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Three Months Ended September 30, 2002 and 2001

	2002-2003			2001-2002		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$ 596,998	\$ 171,566	28.74%	\$ 689,228	\$ 154,668	22.44%
University Relations	1,969,602	539,265	27.38%	1,810,609	433,423	23.94%
Development	855,319	172,450	20.16%	788,193	160,512	20.36%
Administration & Fiscal Services	12,536,766	3,070,776	24.49%	11,630,671	3,056,268	26.28%
Student Life	12,615,998	4,703,085	37.28%	11,604,113	4,337,482	37.38%
Academic Affairs	42,405,649	8,745,459	20.62%	39,857,589	8,012,770	20.10%
Other	9,313,809	1,766,779	18.97%	9,616,184	1,306,788	13.59%
Total Educational & General	\$ 80,294,141	\$ 19,169,380	23.87%	\$ 75,996,587	\$ 17,461,911	22.98%
Auxiliary Enterprises						
Housing	\$ 8,059,858	\$ 806,945	10.01%	\$ 9,228,970	\$ 1,487,470	16.12%
University Store	3,133,954	1,357,408	43.31%	2,839,754	1,296,138	45.64%
Food Services	443,537	129,319	29.16%	414,915	78,471	18.91%
Other	421,297	111,647	26.50%	356,107	91,108	25.58%
Total Auxiliary Enterprises	\$ 12,058,646	\$ 2,405,319	19.95%	\$ 12,839,746	\$ 2,953,187	23.00%
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	\$ 92,352,787	\$ 21,574,699	23.36%	\$ 88,836,333	\$ 20,415,098	22.98%
NET CHANGE IN FUND BALANCE		\$ 13,014,355			\$ 13,296,913	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period July 1, 2002 to September 30, 2002

<u>Description</u>	<u>Opening Budget</u>	<u>Adjustments</u>	<u>Amended Budget As Of 09/30/2002</u>
Revenues and Other Additions			
Tuition and Fees	\$ 27,092,365	\$ -	\$ 27,092,365
Government Appropriations	42,747,300	-	42,747,300
Government Grants & Contracts	50,000	-	50,000
Indirect Cost Reimbursement	328,658	-	328,658
Sales and Services of Ed. Activities	931,375	152,626	1,084,001
Other Sources	1,513,714	87,948	1,601,662
Budgeted Fund Balance - E&G	7,216,371	212,940	7,429,311
Auxiliary Enterprises	11,323,450	-	11,323,450
Budgeted Fund Balance - AUX	929,967	(233,927)	696,040
Total Revenues and Other Additions	\$ 92,133,200	\$ 219,587	\$ 92,352,787
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 547,709	49,289	\$ 596,998
University Relations	1,914,147	55,455	1,969,602
Development	834,806	20,513	855,319
Administration & Fiscal Services	11,901,441	635,325	12,536,766
Student Life	12,666,751	(50,753)	12,615,998
Academic Affairs	41,508,365	897,284	42,405,649
Debt Service & Mandatory Transfers	2,835,432	(96,601)	2,738,831
Other	7,757,302	(1,182,324)	6,574,978
Total Educational & General	\$ 79,965,953	\$ 328,188	\$ 80,294,141
Auxiliary Enterprises			
Administration & Fiscal Services	\$ 7,463,859	386,800	\$ 7,850,659
Student Life	873,549	139,006	1,012,555
Debt Service	2,499,887	-	2,499,887
Other	1,329,952	(634,407)	695,545
Total Auxiliary Enterprises	\$ 12,167,247	\$ (108,601)	\$ 12,058,646
Total Expenditure Authorizations	\$ 92,133,200	\$ 219,587	\$ 92,352,787

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period July 1, 2002 to September 30, 2002
Notes of Significant Adjustments to Revenue and Other Additions

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the first quarter totaled \$152,626.

- Eagle Athletic Fund (EAF) support from the MSU Foundation totaled \$54,576. The funds were budgeted in various athletic programs.
- \$10,000 allocated from Football guarantee income
- \$85,000 allocated from Basketball guarantee income

Other Sources

Budget allocations from other sources increased by \$87,948 in the first quarter.

- Unbudgeted support from the MSU Foundation totaled \$65,834
 - \$42,267 allocated to WMKY
 - \$9,603 allocated to the Division of Academic Affairs for various academic programs
 - \$10,384 allocated to Development and Alumni Relations

Budgeted Fund Balance – E&G

Budget allocations from fund balance for E&G purposes totaled \$212,940 in the first quarter.

- \$25,000 was allocated to cover expenses associated with the Holbrook Project
- \$60,000 was allocated from internal reserves to pay life insurance premium for Dr. Doran
- \$127,940 adjustment was made to reflect the actual FY 02 carry forward of IRAPP program funds, CPE Capital Renewal & Maintenance Pool, and general operating carry forward accounts

Budgeted Fund Balance – Auxiliary

- (\$233,927) reduction adjustment was made to reflect the actual FY 02 carry forward for residence hall capital projects

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period July 1, 2002 to September 30, 2002

<u>From:</u> <u>Revenue and Other Additions</u>	<u>To:</u> <u>Division/ Budget Unit</u>	<u>Amount</u>	<u>Description</u>
Budgeted Fund Balance - Auxiliary	Housing Transfers	\$ (233,927)	The FY 02/03 auxiliary capital construction carry forward was budgeted for \$879,952. However, \$233,927 of these funds were expended in FY 01/02, thus, reducing the needed carry forward to \$646,025. This adjustment was made in the first quarter of FY 02/03.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of July 1, 2002 to September 30, 2002

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$100,000			
None			
II Capital Construction Projects/ Land Acquisitions Greater than \$400,000			
1998-00 Deferred Maintenance and Government Mandates Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Elevator Upgrades/Installation (RH, LC, CY)	\$ 350,000	March, 2001	Completed
Fire Alarm Upgrades/Replacement	150,000	October, 2000	Completed
Mechanical System Replacements (AA, ADUC)	250,000	January, 2001	Completed
Window Replacement (BM)	150,000	August, 2001	Completed
Window Replacement (CB)	300,000	July, 2000	Completed
Window Replacement (LC)	150,000	August, 2000	Completed
Dam Restoration	800,000		In Progress
	<u>\$ 2,150,000</u>		
Lakewood Terrace Family Housing Complex	\$ 4,000,000		In Progress
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project II - 2000	\$ 1,580,000		In Progress
Project III - 2001	980,000	August, 2001	Completed
Project IV - 2002	800,000		In Progress
Project V - 2003	3,000,000		Scheduled
	<u>\$ 6,360,000</u>		

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of July 1, 2002 to September 30, 2002

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
2000-02 Capital Renewal and Maintenance Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Life Safety - E&G	\$ 200,000	April, 2002	Completed
1990 Clean Air Act Compliance - E&G			
Claypool-Young Chiller Replacement	135,000	August, 2000	Completed
Ginger Hall, Reed Hall, Laughlin Chiller Replacement	566,000		In Progress
Roof Replacement - Button, Rice Maint. Bldg., Claypool-Young, Combs	397,000	October, 2001	Completed
Roof Replacement - Baird	150,000		In Progress
Mechanical Systems Replacements	556,800		In Progress
Mechanical Systems/HVAC	350,000		In Progress
Ceiling Tile Replacement (Rader & Laughlin)	88,400	October, 2001	Completed
Window Replacement (Rader)	107,000	September, 2001	Completed
Gas Fired Boiler Installation	399,000	April, 2002	Completed
Central Campus Reconstruction	300,800	May, 2002	Completed
	<u>\$ 3,250,000</u>		

**AUTHORIZE MEMORANDUM OF AGREEMENT
AND LEASE WITH OPTION TO PURCHASE
AGREEMENT WITH THE CITY OF MOREHEAD;
AND AMEND THE CAMPUS MASTER PLAN
IN REGARD TO KENTUCKY CENTER
FOR TRADITIONAL MUSIC**

**BOR (V-A-6)
December 6, 2002**

Background:

The Kentucky Center for Traditional Music (KCTM) was established in June 2000 and recognized by the Morehead State University Board of Regents on June 1, 2002, as an affiliated foundation of the University. Since inception, the City of Morehead, Morehead Tomorrow and the University have been working in partnership to secure a permanent home for the KCTM.

Grants to the City of Morehead totaling \$800,000 have been secured to allow for the purchase and development of property for the KCTM. The University and City, as part of the partnership effort, have identified a building and land located in the First Street Arts District for acquisition. The City is agreeable to acquiring the property, making modest improvements to the building and then transferring operational and management authority to the University through a 10-year lease with option to purchase agreement.

The Big Store property, an approximate .59-acre tract located on East First Street near the Kentucky Folk Art Center has been identified as the future home of the KCTM (site plan is provided). The property consists of a two-story 29,469 square foot privately owned structure (and an adjoining 940 square feet structure). The owner is a willing seller, however, the price the City will pay the seller for the properties has not been agreed upon at this point.

Once the City acquires the Big Store property, they will undertake some modest improvements to the building and site within the resources available from the grants. The building is in only fair condition and roof work and other stabilization efforts will be undertaken prior to the property being leased to the University. Once operational control of the facility is transferred (via the lease) to the University, the University will continue to seek the resources to fully develop the property. The University's initial capital construction budget request to the state in 2002-2004 described the then potential project scope to be \$6 million.

Under the terms of a Memorandum of Agreement between the City of Morehead and the University (draft copy attached), the University will lease the property from the City for 10 years with the annual lease cost forgiven each year. (Under the terms of the grant agreement, the City must retain an interest in the property for 10-

years.) The lease with option to purchase agreement will be entered into at the completion of the initial phase (described in the MOA) of the project, projected to be no later than July 1, 2004. The City will not be able to cancel the lease once MSU has improved the property. At the end of the 10-year period, the University will acquire the property for \$1.

Land Acquisition Strategies and Policies:

The property is not currently a part of the University's Campus Master Plan. In accordance with University policy related to real property management, the President may initiate the acquisition of real property included in the approved Campus Master Plan. Property not identified in the Campus Master Plan may be acquired when approved by the Board.

It is the University's intent to enter into the attached agreement with the City to enter into a lease of the property with option to purchase. At the point the lease with option to purchase the property is entered into the property would be incorporated into the Campus Master Plan.

Recommendation:

That the Board of Regents authorize the Memorandum of Agreement and future lease with option to purchase agreement with the City of Morehead; and amend the Campus Master Plan in regard to the Kentucky Center for Traditional Music.

**DRAFT
MEMORANDUM OF AGREEMENT
BETWEEN
CITY OF MOREHEAD, KENTUCKY
AND
MOREHEAD STATE UNIVERSITY**

This AGREEMENT is made and entered into by and between the City of Morehead, Kentucky, party of the first part, hereinafter referred to as the "City" and Morehead State University, party of the second part, hereinafter referred to as "MSU".

WITNESSETH:

WHEREAS, MSU desires to locate the Kentucky Center for Traditional Music at 109 East First Street, Morehead, Kentucky;

WHEREAS, the Department of Local Government has approved funding in the amount of \$500,000.00 through a Community Development Block Grant for the acquisition of the Big Store Property located at 109 East First Street, Morehead, Kentucky and owned by Jim Barker;

WHEREAS, said funding will be payable to the City;

WHEREAS, the City will also receive funding in the amount of \$300,000.00 from Renaissance Kentucky for said project;

WHEREAS, the City has agreed to acquire and improve said property using the above referenced grant funds;

WHEREAS, the City may continue to assist the University in seeking external fund sources for the KCTM. If successful in obtaining additional funding, the City would act as a pass-through agency for any external funding it secured in support of the KCTM.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the City and MSU hereby agree as follows:

1. The Project: With the funding referenced above, the Big Store property located at 109 East First Street shall be acquired, and in accordance with the Grant Agreement between the City and the Commonwealth of Kentucky Department of Local Government, the property shall be cleared and the site prepared. Additionally, in accordance with the Grant Agreement, the roofs shall be fixed to

stabilize the site and the consignment shop business shall be relocated. Said work must be completed by June 30, 2004 in accordance with the Grant Agreement.

2. Project Funding: The City shall use the \$800,000 acquired through the above-referenced grants toward the completion of the project as described above. It is specifically agreed that the City shall not be obligated to expend any additional funds other than those grant funds listed herein toward the completion of the project as described above. Should the City determine that the funds are going to be insufficient to complete the project, the City shall provide notice to MSU to proceed to complete the project in accordance with the Grant Agreement. MSU shall put forth its best efforts to assure the timely completion of the project. Once said grant money is expended and the project completed, MSU shall assume responsibility for funding the completion of the development of the KCTM.

3. Rental Income: During the initial site work, the City will enter into a lease agreement with the business occupant of the Big Store. The City shall be entitled to all rental payments under said lease agreement until the project is completed. These payments shall become part of the project funds and used for completion of the project.

4. Grant Agreement Terms: MSU agrees to abide by all terms of the Grant Agreement between the Commonwealth of Kentucky, Department for Local Government and the City of Morehead for funding in the amount of \$500,000.00 for the Kentucky Center for Traditional Music, a copy of which is attached hereto and made a part of this agreement.

5. Indemnification: To the extent permitted by law, if permitted at all, MSU shall indemnify, save harmless and exempt the City, its officers, agents, servants, and employees from and against any and all suit actions, legal proceedings, claims, demands, costs, expense, and attorney fees incident to any work done in the performance of this agreement. It is specifically understood and agreed that should MSU fail to complete the project in accordance with the Grant Agreement upon notice to proceed from the City leaving the City to bear the responsibility for completion of the project, MSU shall indemnify the City for all costs, including any and all costs for the enforcement of this Agreement, incurred by it for completion of the project in accordance with the Grant Agreement.

6. Real Property: Upon completion of the project the City shall enter into an irrevocable Lease with Option to Purchase with MSU with regard to the subject property. Likewise, should the City be unable to complete the project per the provision of Paragraph 2, the City would enter into a Lease with Option to Purchase Agreement with MSU at that time.

In accordance with the terms of the Grant Agreement between the Commonwealth of Kentucky, Department for Local Government, the City shall retain an interest in the property for 10-years commencing upon completion of the project or the execution of the Lease with Option to Purchase Agreement with MSU.

MSU shall pay the City one dollar (\$1) for an exclusive Option to Purchase the property during the term(s) of the lease and any lease renewal terms.

The initial term of the Lease with Option to Purchase shall end on June 30 of the current fiscal biennium of the Commonwealth. At the end of the initial term, the lease shall renew automatically under the same terms and conditions for additional renewal periods of 24-months each, not to exceed three automatic renewal periods. However, at the end to the last 24-month renewal period, the City shall agree to renew the lease under the same terms and conditions as the original term in order to satisfy the grant terms for the City to maintain an interest in the property for 10-years. It is the University's intent at the end of 10 years, to execute the option to purchase and acquire the property from the City by paying the City one dollar (\$1.00).

Further, said Agreement shall provide that all lease payments shall be forgivable so long as MSU is making progress in the development of the property.

7. Insurance: The City shall maintain and insure the property until such time the property is leased to the University with an Option to Purchase. MSU shall be responsible for insuring the property on behalf of MSU at the time it obtains the option to purchase. The City shall insure its interests, if any.

8. Governing Law: This Contract shall be governed by, and construed under and in accordance with the laws of the Commonwealth of Kentucky.

9. Assignment: This Agreement and the rights and obligations hereunder may not be transferred, pledged, encumbered, assigned, anticipated or alienated by either party.

10. Entire Agreement: This Agreement contains all the terms, conditions, and promises of the parties hereto. No modification of this Agreement, or any provisions thereof, shall be valid or binding unless in writing and executed by both parties hereto. A waiver by either party or any breach of any term or provision in this Agreement shall not be construed as a waiver of any succeeding breach of the same or any other term or provision.

IN WITNESS WHEREOF, the parties hereto have executed this
day of _____ 2002.

City of Morehead, Kentucky

Morehead State University

Bradley H. Collins, Mayor Date

Ronald G. Eaglin, President Date

Secretary, Finance and Date
Administration Cabinet

Jane V. Fitzpatrick Date
General Counsel
Morehead State University



NASA SATELLITE

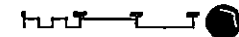
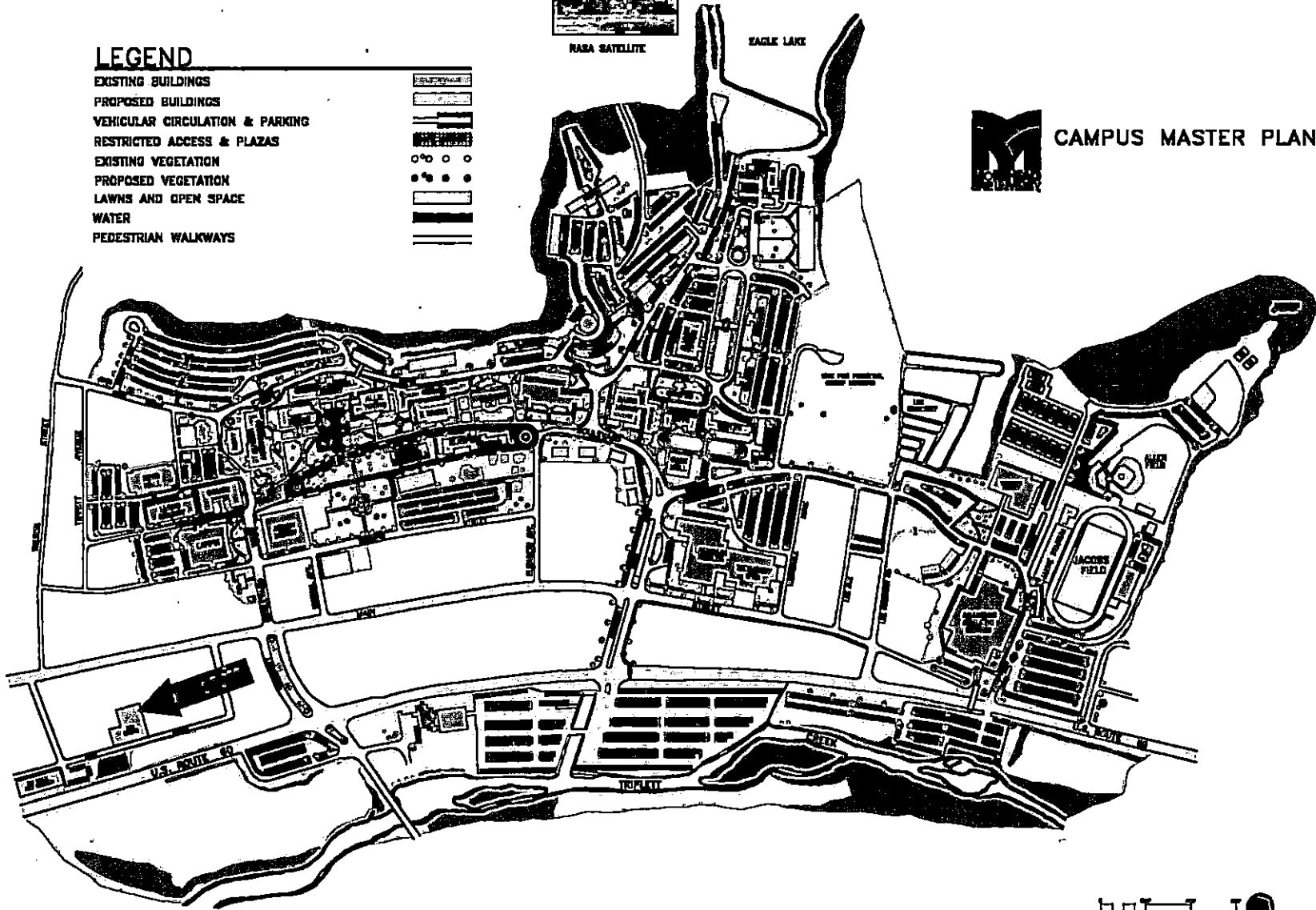
EAGLE LAKE

LEGEND

- EXISTING BUILDINGS
- PROPOSED BUILDINGS
- VEHICULAR CIRCULATION & PARKING
- RESTRICTED ACCESS & PLAZAS
- EXISTING VEGETATION
- PROPOSED VEGETATION
- LAWNS AND OPEN SPACE
- WATER
- PEDESTRIAN WALKWAYS



CAMPUS MASTER PLAN



**RESOLUTION
BY
THE MOREHEAD STATE UNIVERSITY BOARD OF REGENTS**

Whereas, Morehead State University has requested financial assistance from the Commonwealth of Kentucky Transportation Cabinet Department of Highways for funding to construct an access road to the site of a new satellite tracking antenna,

Whereas, the Department has agreed to make up to \$519,500 in state funds available to the University on a reimbursable basis for the construction of the road,

Whereas, the Department requires that a resolution be adopted authorizing the President of the University to execute the agreement between the Department and Morehead State University,

Whereas, KRS 164.350 confers upon the Board of Regents its general powers and responsibilities to carry out the purposes of Morehead State University,

Whereas, Article III.A.3 of the duly adopted Bylaws of the Morehead State University Board of Regents describe the President of the University as the Chief Executive Officer of the University responsible for the operation of the University,

Therefore, Be it Resolved by the Morehead State University Board of Regents, that President Ronald G. Eaglin may execute agreements on behalf of the University; and in particular the AGREEMENT BETWEEN COMMONWEALTH OF KENTUCKY TRANSPORTATION CABINET DEPARTMENT OF HIGHWAYS AND MOREHEAD STATE UNIVERSITY, to secure the funding for the access road for the construction of a new satellite tracking antenna.

Adopted this 6th day of December 2002.

Buckner Hinkle, Jr., Chair

ATTEST:

Carol Johnson, Secretary



Commonwealth of Kentucky
Transportation Cabinet
Frankfort, Kentucky 40622

James C. Codell, III
Secretary of Transportation

Paul E. Patton
Governor

Clifford C. Linkes, P.E.
Deputy Secretary

October 3, 2002

The Honorable Ronald G. Eaglin
President, Morehead State University
150 University Boulevard
Morehead, KY 40351

Dear President Eaglin:

The Kentucky Transportation Cabinet has prepared the enclosed agreement whereby the Cabinet agrees to provide Morehead State University with up to \$519,500 in reimbursable state funds. These funds will be used to reimburse the University for costs incurred in building a service road to access the site for the new satellite tracking antenna. All costs in excess of \$519,500 will be the responsibility of Morehead State University.

We request that you sign both the original and the copy of this agreement, along with a resolution as requested in Item 9. The resolution is to authorize the President to sign this agreement on behalf of the Morehead State University. A copy of the resolution will be attached to and become a part of this agreement. Return the signed copies of the agreement and the resolution to Chad LaRue, State Highway Engineer's Office, Kentucky Transportation Cabinet, 501 High Street, Frankfort, KY 40622. Upon receipt, we will execute the agreement and authorize funding for this project. One fully executed copy will be returned to the university for your use and retention.

Sincerely,

James C. Codell, III
Secretary

JCC/JMY/MCL

Enclosure (2)

c: J.M. Yowell
Jim Rummage



KENTUCKY TRANSPORTATION CABINET
"PROVIDE A SAFE, EFFICIENT, ENVIRONMENTALLY SOUND AND FISCALLY RESPONSIBLE TRANSPORTATION SYSTEM
WHICH PROMOTES ECONOMIC GROWTH AND ENHANCES THE QUALITY OF LIFE IN KENTUCKY."
"AN EQUAL OPPORTUNITY EMPLOYER M/F/D"

AGREEMENT BETWEEN
COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
AND
MOREHEAD STATE UNIVERSITY

THIS AGREEMENT, entered into by and between the Commonwealth of Kentucky, Transportation Cabinet, Department of Highways, hereinafter referred to as the "Department", and Morehead State University, 150 University Boulevard, Morehead, KY 40351, hereinafter referred to as the "University".

WITNESSETH:

WHEREAS, the University has requested financial assistance from the Department in funding the construction of a service road to the site of a new satellite tracking antenna on property owned by the University, which shall hereinafter be referred to as the "Project"; and

WHEREAS, the Department agrees to make available up to \$519,500 in reimbursable funds to the University for costs incurred during the execution of this Project; and

WHEREAS, the University desires to be the lead agency in executing this Project.

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained herein, the parties hereby agree as follows:

1. The Department agrees to reimburse the University up to \$519,500 for the completion of work by the University under the obligations of this agreement for the following Project:

The planning, designing, obtaining any needed right-of-way, relocating of any utilities, and constructing of a service road to the site of a new satellite tracking antenna on property owned by the University.

The University agrees to be responsible for all Project costs in excess of the \$519,500.

2. The **University** is responsible for all activities related to this **Project** as lead agency and is responsible for maintaining this facility upon completion. The **University** will obtain any required permits for work to be accomplished on state-owned right-of-way from the **Department's** District 9 office in Flemingsburg.
3. All work or materials to be contracted for must comply with all legal bidding requirements including, but not limited to, the provision of KRS 45A and 424.
4. The **University** shall indemnify and hold harmless the **Department** and all of its officers, agents, and employees from all suits, actions, or claims of any character because of any injuries or damages received by any person, persons, or property resulting from construction of the herein set forth **Project**.
5. The **University** shall maintain for a period of three (3) years all records of materials, equipment, and labor costs involved in the performance of work of said **Project**. In order to obtain reimbursement from the **Department** for constructing said **Project**, the **University** shall submit to the **Department's** District 9 office in Flemingsburg documented invoices of materials, equipment, and labor used on the **Project**, including certification that the work was accomplished on a publicly maintained facility.
6. The **University** may submit to the **Department's** District 9 office in Flemingsburg current billings reflecting the actual cost of work incurred during any given work period, in which case the current billings will be paid within a reasonable time after receipt of same by the **Department**; however, in no event is the **University** to submit billings for work performed for less than a thirty (30) day period.

7. The **Department** reserves the right to cancel this Agreement at any time deemed to be in the best interest of the **Department** by giving thirty (30) days written notice of such cancellation to the **University**. If the Agreement is cancelled under this provision, the **Department** shall reimburse the **University** according to the terms hereof to the date of such cancellation.
8. It is understood and agreed by these parties that if any part of this contract is held by the courts to be illegal or in conflict with any law of the Commonwealth of Kentucky, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular part, term, or provision held to be invalid.
9. The **University** will pass a resolution authorizing the President to sign this Agreement on behalf of the **University**. A copy of that resolution shall be attached to and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their officers thereunto duly authorized.

MOREHEAD STATE UNIVERSITY

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET

Mayor

Secretary

Date: _____

Date: _____

APPROVED AS TO FORM & LEGALITY

Office of General Counsel

Date: _____

**RATIFY LEASE WITH OPTION TO PURCHASE
WITH THE MOREHEAD STATE UNIVERSITY BOR (V-A-8)
FOUNDATION, INC. December 6, 2002**

Background:

It is the University's intent to enter into a lease with option to purchase agreement with the Morehead State University Foundation, Inc. (MSUF), effective December 1, 2002, regarding property it owns adjacent to campus. The MSUF responded to a University Request for Proposal to lease administrative office space in close proximity to the campus. The RFP required the respondent be willing to offer an option to purchase the leased property.

The property is known as the Hogge Building and is located south of Second Street on the corner of Second and Normal Avenue and is about 30 feet from the southeast corner of the Student Center. The two-story office building contains 10,080 square feet of space, is located on an 8,400 square foot tract that includes an approximate 3,200 square foot asphalt parking lot. The building is in good condition.

The University intends to utilize the property for student support services. It is planned that the Offices of Admissions, Housing, Financial Aid and Vice President for Student Life will relocate to the building. Currently, the State Department for Families and Children occupy 95% of the space in the building and will continue to do so through June 30, 2003, at which time their lease expires. Improvements in the property will be made to accommodate the student services functions before their relocations take place. Plans and cost estimates will be developed. The site identified in the attached site drawing is included in the Campus Master Plan. The lease with option to purchase agreement will provide for an annual lease payment of \$52,000, with \$5,000 of each annual lease payment being applied to the agreed upon purchase price. The University and Foundation have agreed upon a purchase price of not more than \$200,000. The purchase price is supported by two appraisals, the latest appraisal dated November 21, 2002.

Land Acquisition Strategies and Policies

In accordance with the University policy related to real property management, the President may initiate the acquisition of real property included in the approved Campus Master Plan. Property not identified in the Campus Master Plan may be acquired when approved by the Board.

University policy requires the Board of Regents approval of any lease the cost of which is greater than \$30,000. Further, any lease that involves the Morehead State University Foundation, Inc. requires approval by the Board.

Recommendation:

That the Board of Regents ratify a lease with option to purchase with the Morehead State University Foundation, Inc., in regard to the property located at 120 Normal Avenue, Morehead, Kentucky 40351.

FALL 2002 ENROLLMENT REPORT**BOR (V-B-1)**
December 6, 2002**HEAD-COUNT ENROLLMENT**

		% Change
1998	8,263	+0.7
1999	8,171	-1.1
2000	8,327	+1.9
2001	9,027	+8.4
2002	9,390	+4.0
1998-2002		+13

FULL-TIME EQUIVALENCY

		% Change
1998	6,305	-0.8
1999	6,172	-2.1
2000	6,373	+3.3
2001	6,888	+8.1
2002	7,243	+5.2
1998-2002		+14.9

CREDIT-HOUR PRODUCTION

		% Change
1998	98,198	-0.8
1999	96,107	-2.1
2000	99,223	+3.2
2001	107,014	+7.9
2002	112,806	+5.4
1998-2002		+14.9

REPORT ON LOCATION OF LARGE APERTURE FULL MOTION RADIO TELESCOPE AND ACCESS ROAD

**BOR (V-B-3)
December 6, 2002**

Background:

All but the final federal earmark is in place and request for proposals (RFP) are being solicited in regard to the acquisition of a large aperture -- up to 20 meter -- full motion radio telescope to be situated on University land, north of the main campus overlooking Eagle Lake. The estimated \$4.2 million project scope has received all appropriate state approvals dating back to March 2001.

The acquisition of a new antenna is part of a joint venture with the National Aeronautics and Space Administration (NASA). The project began with a plan to relocate an existing 18-meter NASA Goddard satellite tracking station from Wallops Island, Virginia to Morehead State University as part of the University's Astrophysics Laboratory. The decision to move away from relocating the NASA antenna was based on a year-long analysis of the project and the cost factors associated therewith.

The project will provide substantial academic benefits and foster economic development throughout the Eastern Kentucky region by establishing a world-class, state-of-the-art research facility for students in astrophysics, satellite communications, electrical engineering and software development. The new instrument will replace the existing Morehead Radio Telescope (MRT) and be combined with the current HI receiver of the MRT.

In addition to the predominate federal funding available to the project, state and University funds will also be applied along with grant funding from the Kentucky Science and Education Foundation. The planned funds sources and project expenditures are detailed in the attached.

The RFP outlines a process to select the successful antenna design in January. The successful contractor is expected to take about one-year to build the antenna. The antenna would then be assembled on the site and be operational for testing beginning in the late 2004.

Construction of an unpaved access road to the top of the ridge behind the campus is to begin in early spring 2003 and be completed no later than the end of July. The access road will be in the vicinity of Nunn Hall and follows an existing road to just below the top of the ridge. The existing road will need to be significantly improved to achieve the desired widths and grade. At the top of the ridge, the road will continue to follow the existing road/path to the site. The road will be approximately 2,500 feet long when completed.

The state Transportation Cabinet has committed \$519,500 in funding for the road. It is anticipated that the road and related work can be constructed with the available funding.

An environmental assessment has been conducted and submitted to the Small Business Administration as part of that agency's grant approval process. The environmental assessment did not reflect any significant issues related to wildlife or plant life that would either delay or prevent the project.

A public forum was conducted on campus on September 16, to inform students, faculty and staff and local community members. Over 100 student, faculty, staff and community members participated. President Eaglin, Professor Ben Malphrus, Dean Gerald Demoss, Mayor Bradley Collins, Mike Craft, Road Engineer from Palmer Engineering, and Clayton Whitney, Environmental Engineer with the Smith Management Group represented Morehead State University. The forum was positively received and there were no unfavorable opinions expressed regarding the project or the then proposed site. Since that forum the site has been relocated along the same ridge but approximately 1,000 feet west of the initial site.

Though the antenna will be located on University owned property, an easement from a private property owner is being sought to allow trees to be removed to provide the antenna an appropriate horizon. The property owner has agreed to sell the University an easement. Appraisals are being obtained.

EAGLE LAKE

WATERFIELD
HALL

NUNN HALL

MIGNON
TOWER

MOREHEAD STATE UNIVERSITY
ANTENNA ACCESS ROAD

 **Palmer**
ENGINEERING



REAL PROPERTY ACQUISITIONS

**BOR (V-B-4)
December 6, 2002**

Background:

In accordance with policies approved by the Board of Regents on April 30, 1992 and September 17, 1999, related to real property management, the President may initiate the acquisition of real property included in the approved Campus Master Plan.

REAL PROPERTY ACQUISITION

PROPERTY LOCATION	OWNER	APPRAISAL PRICE	ACQUISITION PRICE
236 East Second St.	Morehead State University Foundation, Inc.	\$50,000	\$50,000
Property Description: The approximate .091-acre tract includes a two-story 912 square foot frame house.			

The Morehead State University Foundation, Inc. acquired the real property located at 236 East Second St. on December 21, 2002. In March 2002, the University obtained an appraisal for the property estimating the value to be \$50,000. The attached Campus Master Plan site drawing reflects the location of the property acquired.

- The property is included in the approved Campus Master Plan.
- In accordance with state procurement regulations, an independent appraisal was obtained in March 2002.
- We believed the value established by the appraisal to be reasonable.
- The approved Campus Master Plan site drawing reflects the location of the property.
- The closing date was August 8, 2002.
- The house has been razed and area is being used for parking.

PROPERTY LOCATION	OWNER	APPRAISAL PRICE	ACQUISITION PRICE
133 Third Street.	Morehead State University Foundation, Inc.	\$120,000	\$119,928
Property Description: The approximate .276-acre tract includes a one-story 1,192 square foot frame house.			

The Morehead State University Foundation, Inc. acquired real property and improvements located at 133 Third Street on April 20, 2001. Subsequently, the University entered into a short-term lease with the Foundation for the use of the property. The University obtained appraisals for the property estimating the value to be \$120,000. The University purchased the property on August 8, 2002 at a cost of \$119,928. The attached Campus Master Plan site drawing reflects the location of the property acquired.

- The property is included in the approved Campus Master Plan.
- In accordance with state procurement regulations, an independent appraisal was obtained in November 2000.
- We believed the value established by the appraisal to be reasonable.
- The approved Campus Master Plan site drawing reflects the location of the property.
- The closing date was August 8, 2002.
- The house on the property will be razed and area developed for parking.

PROPERTY LOCATION	OWNER	APPRAISAL PRICE	ACQUISITION PRICE
208 Martindale Drive	Paul and Suanne Blair	\$89,000	\$89,000
Property Description: The property is Lots Nos. 37, 38, 39 in Section "D" of College Subdivision to the City of Morehead, KY and portion of Tract No. 4 of same subdivision. (.205-acre) The property includes two garages. (1,092 square feet and 960 sq feet with office)			

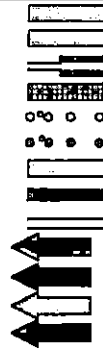
Morehead State University acquired real property and improvements located at 208 Martindale Drive on October 25, 2002. In September 2002, the

University obtained an appraisal for the property estimating the value to be \$89,000. The attached Campus Master Plan site drawing reflects the location of the property acquired.

- The property is included in the approved Campus Master Plan.
- In accordance with state procurement regulations, an independent appraisal was obtained in September 2002.
- We believed the value established by the appraisal to be reasonable.
- The approved Campus Master Plan site drawing reflects the location of the property.
- The closing date was October 25, 2002.
- The storage type buildings on the property will be used as additional storage and warehouse space for the Physical Plant.

LEGEND

EXISTING BUILDINGS
 PROPOSED BUILDINGS
 VEHICULAR CIRCULATION & PARKING
 RESTRICTED ACCESS & PLAZAS
 EXISTING VEGETATION
 PROPOSED VEGETATION
 LAWNS AND OPEN SPACE
 WATER
 PEDESTRIAN WALKWAYS
 HOGGE BUILDING 120 NORMAL AVE
 BLAIR PROPERTY 236 E. SECOND
 JAMISON PROPERTY 133 THIRD ST.
 BLAIR PROPERTY 208 MARTINDALE DR.

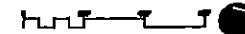
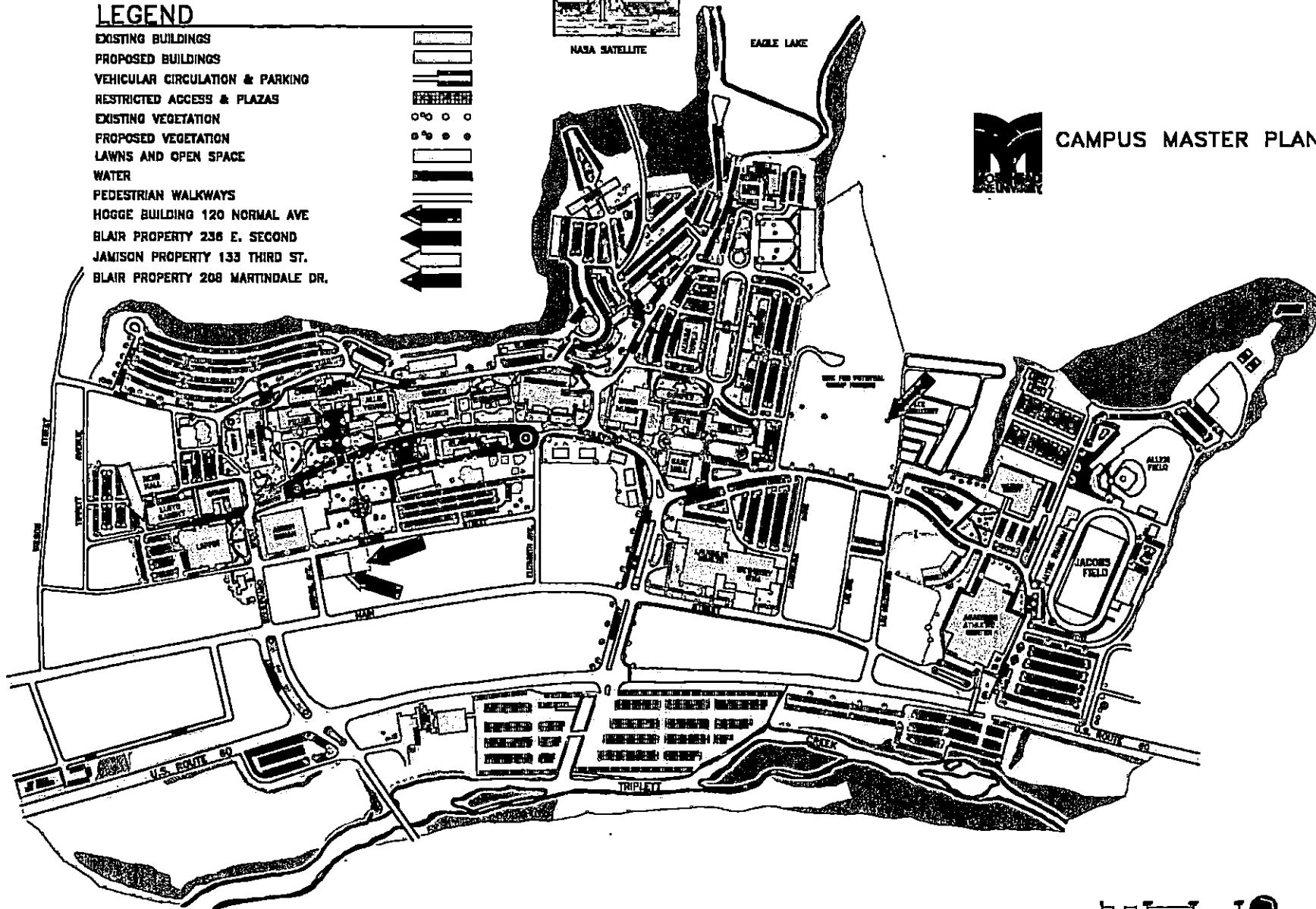


NASA SATELLITE

EAGLE LAKE



CAMPUS MASTER PLAN



REPORT ON GUARANTEED ENERGY SAVINGS BOR (V-B-5) **PERFORMANCE CONTRACTING** **December 6, 2002**

Background:

Morehead State University is in the process of selecting an Energy Service Company (ESCO) to conduct a campus wide energy conservation audit, consult regarding projects related to energy conservation and cost savings, and perform and fund the capital improvements related to the projects, if economically feasible.

Guaranteed energy savings performance contracting is a relatively new capital funding concept in Kentucky. The 2002 General Assembly approved specific procurement guidelines related to the concept and since that time, the Finance and Administration Cabinet has been working with Morehead State University and Western Kentucky University, plus KCTCS to develop proposals and issue contracts to secure the services of ESCOs. An ESCO will develop energy conservation projects that are economically feasible. Western Kentucky University already has an ESCO and installed projects under contract and is pursuing a second contract at this time. The Commonwealth's 2002-2003 Spending Plan authorizes Energy Saving Performance Contracts (ESPC) for the University.

The goal of the ESPC is to reduce energy consumption and related costs associated with energy and water. The resulting services and capital improvements will be provided and financed through a performance-based contract under which the agency a) incurs no initial capital costs b) achieves significant long-term savings, c) achieves a guarantee for energy savings, water savings operations and maintenance (O&M) savings (O&M savings includes materials and labor savings and will only be applicable at the option of Owner), d) obtains consistent levels of occupant comfort and building functionality, and e) captures ancillary benefits that may accrue as a direct result of such energy-related services and capital improvements.

The energy related improvements and services must result in guaranteed annual energy and water savings while guarantying minimum levels of occupant comfort and operations and maintenance. The combined savings achieved by the installed projects must be sufficient to cover all costs including debt service and contractor fees, maintenance, monitoring and other services, for the duration of the contract (maximum of 15 years). All savings projected under the Guaranteed Energy Savings Performance contract shall be guaranteed to the Commonwealth of Kentucky.

An ESCO is selected via a Request for Proposal. The Finance and Administration Cabinet has initiated the RFP process for MSU. The ESCO will be selected in December and energy audits for the campus will begin in January. Following the audit and feasibility analysis, a performance contract and project schedule would be developed. Because an installed project will be funded by the ESCO, no University

capital investment is necessary. Neither the University nor the ESCO is under an obligation to pursue a performance contract if the analysis is not favorable toward a guaranteed payback.

Once a guaranteed performance contract is entered into for a project, should the project not generate the guaranteed energy savings in any given year, the ESCO will be responsible for reimbursing the amount of the shortfall necessary to pay for the annual project debt service and all related contract obligations. Annual savings will be verified at a specified time each year in order to determine if the ESCO's guarantee needs to be exercised. The International Performance Measurement and Verification Protocol and the Federal Energy Management Program's Measurement and Verification Guidelines will be utilized to verify the energy savings.

The value of the projects are estimated to be between \$7-\$14 million dollars based on the size of the campus and estimates provided by ESCOs during their initial campus visits.

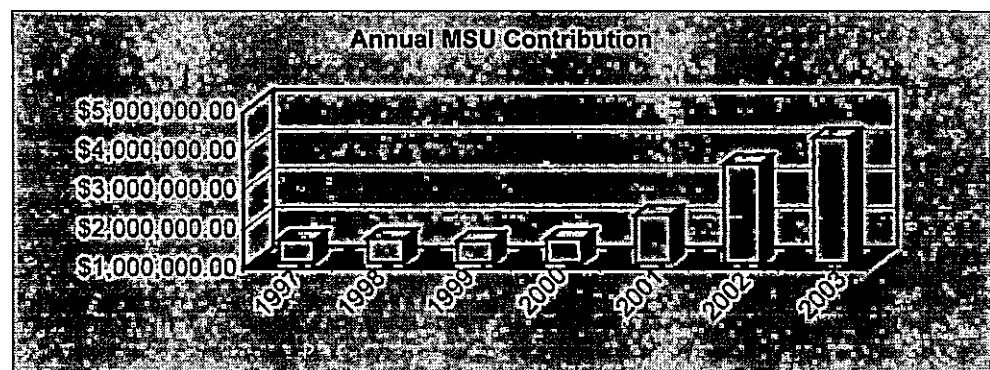
REPORT ON HEALTH INSURANCE PLAN YEAR 2003

BOR (V-B-6)
December 6, 2002

Morehead State University is committed to providing all employees the most cost-effective health insurance coverage possible. As a result of rising health care costs and utilization, the University's health care program is projected to increase by 17% for the 2003 plan year. The University's health insurance plan has experienced similar cost increases for health insurance over the past three years and health care trend data suggests that double-digit increases will continue for the foreseeable future.

This 17% increase follows three years that have seen the University's contributions rise significantly. The level of University support in 2003 (\$4,207,000) is more than two and a half times (260%) the 2000 level of \$1,626,000 (see Graph 1). This extensive increase follows a 2% budget cut in 2001-2002, no new state funds appropriated to the University in 2002-2003, and a pending additional recurring state budget cut of at least 3% (representing \$1.2 million) during the current fiscal year.

Graph 1



In keeping with its commitment to provide quality, affordable health insurance for all employees, and as a result of the increasing costs of health care, health insurance has become the second largest budget item for the University – second to employee salaries.

Health insurance rates have out-paced the University's ability to provide free insurance to any group of employees; therefore, the University has made the difficult decision that all employees would be required to share in the cost of health insurance, beginning in 2003.

The Office of Human Resources was charged with providing a plan that would allow the University and its employees to better project health care costs in future years. Additionally, the plan should retain an adequate level of plausible plan choices and

establish a standard cost-sharing arrangement between the University and the employee for each plan choice.

To enable the University and its employees to better project health insurance costs, by plan choices, in future years, the following parameters were established:

- Each plan option (Base PPO, HMO, and Premium PPO) will be individually priced to be self-supporting. No plan option will be expected to subsidize or be subsidized by any other plan option.
- The premium cost difference between each tier of each plan option will be established according to the industry standard of the 2-person and family-coverage options being priced at 1.5 and 2.0 times the single coverage option, respectively.
- The University intends to support health insurance at an aggregate rate of 75% of the total costs of the health care plan. Additionally, the University's goal is to cost-share the price of each individual plan option according to Table 1.

Cost Sharing: Table 1

PLAN	COVERAGE	EMPLOYEE	UNIVERSITY
BASE	Single	15%	85%
	2-Person	20%	80%
	Family	20%	80%
HMO	Single	30%	70%
	2-Person	30%	70%
	Family	30%	70%
PREMIUM	Single	40%	60%
	2-Person	40%	60%
	Family	40%	60%

The Office of Human Resources established the 2003 Morehead State University Healthcare Plan with considerable assistance from other offices within the Division of Administration and Fiscal Services. The proposed plan was presented to the Staff Congress and Faculty Senate for review and input. With slight modifications, the plan was ultimately endorsed by the Employee Benefits Committee and approved by the President's Cabinet.

The rate and cost-sharing structure for the 2003 Plan is included as Table 2.

2003 Health Insurance Rates: Table 2

Plan	Total Premium	University Contribution	Employee Cost	Increase from 2002 to 2003
PPO Base				
Single:	\$281	\$250	\$ 31	\$ 31
Two-person:	\$422	\$316	\$105	\$ (5)
Family:	\$562	\$393	\$169	\$(41)
MSU Husband & Wife 2-Person	\$422	\$500	\$ 0	\$ 0
MSU Husband & Wife Family*	\$562	\$500	\$ 62	\$ 12
PPO Premium				
Single:	\$494	\$321	\$173	\$ 53
Two-person:	\$741	\$445	\$296	\$ (44)
Family:	\$988	\$543	\$445	\$ (65)
MSU Husband & Wife 2-Person	\$741	\$642	\$ 99	\$ (81)
MSU Husband & Wife Family*	\$988	\$642	\$346	\$ (64)
HMO				
Single:	\$467	\$350	\$ 117	\$ 37
Two-person:	\$700	\$490	\$210	\$ 40
Family:	\$934	\$611	\$323	\$ 53
MSU Husband & Wife 2-Person	\$700	\$700	\$ 0	\$(10)
MSU Husband & Wife Family*	\$934	\$700	\$234	\$ 64
<p>* For the MSU husband and wife both employed by MSU who have no dependents on their plan, MSU will contribute two single contributions toward 2-person plan.</p> <p>** For the MSU husband and wife both employed by MSU who have dependents on their plan, MSU will contribute two single contributions toward family plan.</p>				

Morehead State University

Year-to-Date Gift Income Report

Summary by Constituency
October 31, 2002

Description	2001	2002	Variance
Degreed Alumni	\$78,950.94	\$203,452.95	\$124,502.01
Non-degreed Alumni	1,836.00	646,554.00	644,718.00
Faculty/Staff	10,034.48	39,033.85	28,999.37
Retirees	2,507.50	3,640.00	1,132.50
Parents	6,420.43	17,020.00	10,599.57
Corporate Contributors	206,671.50	121,898.88	(84,772.62)
Other Organizations	0.00	66,168.75	66,168.75
Foundations	853.62	864.08	10.46
Sponsorships	0.00	4,500.00	4,500.00
Friends of MSU	52,498.88	117,954.72	65,455.84
GRAND TOTALS	\$359,773.35	\$1,221,087.23	\$861,313.88

Included in above totals are matching gifts (\$9,095.00) and Gift-in-Kind of (\$708,758.48).

**REPORT OF MAJOR GIFTS
SINCE SEPTEMBER 27, 2002**

**BOR (V-B-8)
December 6, 2002**

The following is a list of gifts of \$10,000 or more that have been received and/or recorded since September 27, 2002, on behalf of the University in accordance with terms of the operating agreement between Morehead State University and the MSU Foundation, Inc.

<u>Name</u>	<u>Type or Purpose</u>	<u>Gift Amount</u>
Lockheed Martin Corporation	Gift-in-Kind (Equipment)	\$51,200.00
Estate of Adron Doran	Adron Doran Endowment for Educational Leadership	\$60,000.00
James W. Bell	Annuities	\$100,000.00
Elmer R. Smith	Elmer R. and Donna N. Smith Endowment for Business	\$100,000.00
Norma F. Hogge	Gift-in-Kind (Property)	\$234,615.00
Elizabeth Martindale Estate	Gift-in-kind (Property)	\$310,000.00
		<u>\$855,815.00</u>

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Porter Dailey, Treasurer
Carol Johnson, Secretary

AGENDA
Board of Regents
Morehead State University
9 a.m., Friday, December 6, 2002
Breckinridge Hall 302

- I. CALL TO ORDER
 - A. ROLL CALL
 - B. APPROVE SEPTEMBER 27, 2002, MINUTES
- II. NOMINATING COMMITTEE REPORT
- III. APPROVE AWARDING OF HONORARY DOCTOR OF PUBLIC SERVICE DEGREES TO SARA COMBS AND BETTY SIEGEL
- IV. SPOTLIGHT PRESENTATION -- *INSTITUTE FOR REGIONAL ANALYSIS AND PUBLIC POLICY*
- V. RECOMMENDATIONS AND REPORTS
 - A. Recommendations
 - 1. Approve 2002 Winter Graduates 10
 - 2. Ratify Personnel Actions 11-30
 - 3. Approve Revisions to Personnel Policies: PG-9, Personal Leave of Absence Without Pay (Other than Military or Family Medical Leave); PG-10, Leave of Absence With Pay for Short-Term Military or National Guard Services or Training Duty; PG-48, Vacation Leave; PG-49, Sick Leave; and PG-52, Family and Medical Leave 31-48
 - 4. Accept 2001-2002 Audit, Fourth Quarter Financial Report, and Amend Operating Budget 49-55
 - 5. Accept First Quarter Financial Report and Amend Operating Budget 56-67
 - 6. Authorize Memorandum of Agreement and Lease with Option to Purchase Agreement with the City of Morehead; and Amend the Campus Master Plan in Regard to Kentucky Center for Traditional Music 68-73
 - 7. Adopt Resolution Regarding Access Road Funding to Antenna Site 74-79
 - 8. Ratify Lease With Option to Purchase With the MSU Foundation, Inc. 80-81
 - B. Reports
 - 1. Fall 2002 Enrollment Report 82
 - 2. Report on Campus Environmental Survey (oral report)

3.	Report on Location of Large Aperture Full Motion Radio Telescope and Access Road	83-84
4.	Report on Real Property Acquisitions	86-88
5.	Report on Guaranteed Energy Saving Performance Contracting	90-91
6.	Report on 2003 Health Insurance Plan	92-94
7.	Year-to-Date Gift Income Report	95
8.	Report of Major Gifts Since September 27, 2002	96

VI. OTHER BUSINESS

A. Meetings for 2003

1st Quarter

Work Session

Friday, February 14

BOR Meeting

Tuesday, March 11

2nd Quarter

Work Session

Friday, May 2

BOR Meeting

Friday, June 6

3rd Quarter

Work Session

Friday, August 29

BOR Meeting

Friday, September 19

4th Quarter

Work Session

Friday, November 14

BOR Meeting

Friday, December 12

B. Other

Special Recognition

VII. ADJOURNMENT